

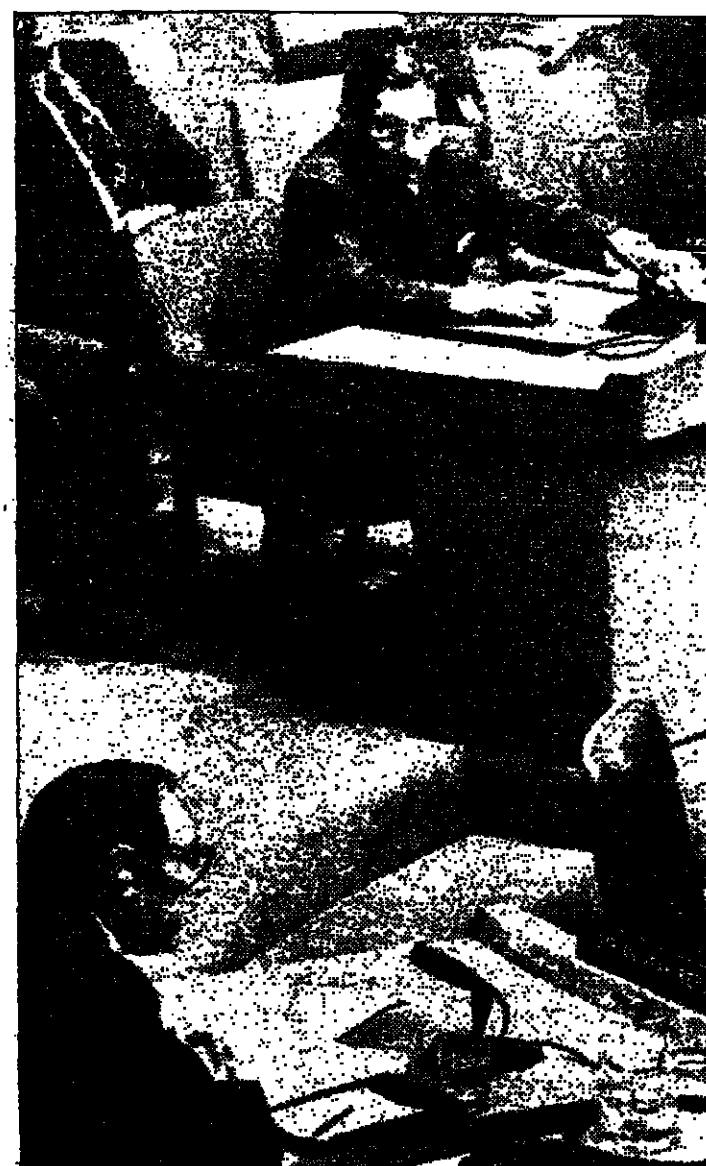
INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

No. 30,757

PARIS, FRIDAY, JANUARY 8, 1982

Established 1887



Poles Use Troops in Factories

Rulers Say Union Plans Resistance

From Agency Dispatches
VIENNA — Poland's military rulers said Thursday that soldiers were working in factories, mines and farms and "protecting" transport, and they accused the Solidarity union of planning to confront the Communist regime with spikes, gasoline bombs and barricades.

The report of soldiers performing civilians jobs suggested that large-scale boycotts by workers were under way. Leaders of Solidarity leaders have urged passive resistance, but Warsaw television said a newly discovered Solidarity document called for confrontation.

The television report said the document proposed that barricades be used to block troop movements, that "special spikes" be used against government vehicles, and that workers seize weapons and obtain arms from the United States, France and Britain.

It said the Solidarity document called for disruption of radio and TV programs, establishment of Solidarity channels of communication including short-wave radio operators and using church services for "propaganda purposes."

Shortages Worsen

Radio Warsaw suggested food shortages were growing more acute, and the official PAP press agency said blizzards in the north downed power lines, shut ports, and disrupted rail service across the country.

Two Solidarity leaders who apparently escaped the arrests of union activists, Wladyslaw Frasyniuk and Zbigniew Janas, escorted Polish workers in clandestine letters circulated in Warsaw, according to uncensored reports reaching the West on Wednesday.

"Remember that our union has not fallen apart from the stomping of Jaruzelski's shoe," wrote Mr. Frasyniuk, a 27-year-old member of Solidarity's 18-man presidium and head of the independent union's Wroclaw regional branch. He was referring to Gen. Wojciech Jaruzelski, the premier, party leader and head of the ruling Military Council for National Salvation.

A letter signed by Mr. Janas, head of the Solidarity branch at the Ursus tractor plant near Warsaw, called on workers to make preparations "in deep conspiracy" for a general strike.

Warning on Violence

But both union leaders warned against violent resistance to the authorities, saying too much blood had already been spilled.

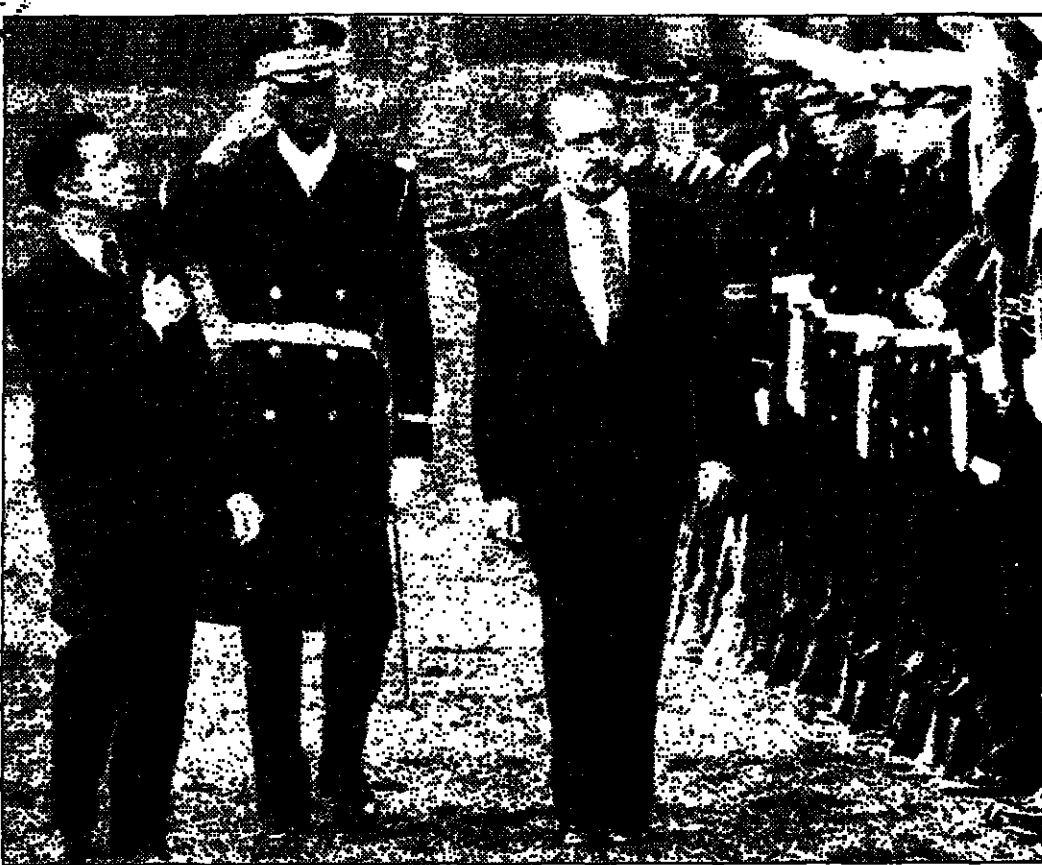
"Remember that the authorities are murderers," Mr. Janas wrote. "They are indifferent to the number of people they will shoot if it suits their interests."

There have been unconfirmed reports of more than 200 deaths under martial law; the government insists there have been eight.

In Vienna, Tadeusz Wojciechowski, a former Polish Communist Party member, told Western reporters that his colleagues at home have been forced to sign loyalty oaths to the regime. "What else can they do?" he said. "Someone who has a family cannot suddenly refuse to work."

Mr. Wojciechowski said he decided to leave his job as radio and TV correspondent in Bucharest rather than serve "as a military correspondent against my own nation."

Other sources said that Polish journalists, under the process of (Continued on Page 2, Col. 4)



U.S. Defense Secretary Casper W. Weinberger, left, and visiting French Defense Minister Charles Hernu inspected an honor guard Thursday in Washington. Mr. Hernu arrived Wednesday.

Carrington Says Western Europe May Strengthen Stand on Poland

By Leonard Downie Jr. and Edward Cody
Washington Post Service

LONDON — Western European countries are considering a number of ways of going beyond condemnation statements to take concerted action against the Polish and Soviet governments if martial law in Poland is not eased, the British Foreign Secretary, Lord Carrington, said Thursday.

The Reagan administration has indicated it would be satisfied with only a strong statement of condemnation from Monday's meeting of NATO foreign ministers in Brussels.

But Lord Carrington said in an interview that Washington still "wants to see some action" from Western Europe that would complement the sanctions Mr. Reagan has imposed against Poland and the Soviet Union.

France, as part of its stand on the Polish crisis, is said to be reconsidering the scope of a multimillion-dollar natural gas deal that would make France dependent on the Soviet Union for a third of its supplies by the end of the decade.

Reversal by France

The French move would reverse earlier dismissals of warnings from the Reagan administration that the contract would create political and economic dangers by making Paris too reliant on the Soviet Union.

An official in the Ministry of External Relations in Paris said the new doubts stemmed directly from the uproar over Poland and that, as a result, a final decision was expected soon.

Several recommendations from the ministries involved have been forwarded to President Francois Mitterrand, including one that the agreement be reduced from delivery of eight billion cubic meters of natural gas a year to six billion cubic meters, the French official added.

The deal with Moscow was scheduled to begin in 1984 and last 25 years. After talks in November between French officials and a Soviet delegation, it was reported that agreement was almost complete except for a formula to calculate the base price. The talks were set to resume Jan. 18, another res-

son Mr. Mitterrand was expected to make his decision soon.

Diplomatic sources in Paris said that doubts on the gas deal were not part of talks among European nations on possible sanctions against the Soviet Union over its role in Poland. Nevertheless, a French official said, a decision to reduce the amount of gas purchased from Moscow should be interpreted as a facet of France's reaction to the Soviet role in Poland.

Meetings to Continue

Lord Carrington and other senior British officials suggested the Europeans may eventually agree on some actions through consultations that began at a Common Market foreign ministers' meeting this week and will continue in other meetings this month. Lord Carrington refused to discuss details or say how long he thought this process would take, but he

added, "I hope we can push things along."

Diplomats in London and other European capitals said other steps being considered included:

- Offering Poland a "big package" of extensive Common Market financial, food and other aid if the military government of Gen. Wojciech Jaruzelski met specific Western European demands for an easing of martial law and negotiating with Roman Catholic Church and Solidarity movement leaders.
- Implementing instead, if nothing changed, a smaller package of undisclosed European economic sanctions against Poland, which a European diplomatic source said "would have the same effect as Mr. Reagan's measures, but would be different and would reflect differences in European patterns of trade."
- Refusing to approve more (Continued on Page 2, Col. 5)

France to Sell Military Craft To Nicaraguans

By Axel Krause
International Herald Tribune

PARIS — France has signed an agreement to supply the leftist Sandinista government of Nicaragua with light, "defensive" military equipment, including helicopters, the External Affairs Ministry said Thursday.

The deal was expected to be announced to Reagan administration officials by French Defense Minister Charles Hernu during a six-day visit to Washington that began Wednesday. Because of the U.S. position on Nicaragua, the contract is likely to embroil the Reagan and Mitterrand governments in controversy.

The contract, worth about 100 million francs (\$17.5 million), was signed secretly last month. It provides for the delivery of two patrol boats, two Alouette-3 helicopters, several dozen trucks, and training of Nicaraguan pilots and naval personnel, according to L'Express, a leading French news magazine. The magazine said the contract could be expanded later.

The argument that Mr. Hernu was expected to press in his Washington talks is that France wants to help Nicaragua diversify its arms supplies away from the Soviet Union, Cuba and Eastern European nations, which are Nicaragua's only outside suppliers, a spokesman for the External Affairs Ministry said.

Ban on Re-exportation

The spokesman said he could not confirm details of the contract, but that it covered light military equipment, that the government had insisted its use be strictly limited to defense purposes and that the arms could not be re-exported.

He said it was "in line" with the policy recently stated by External Affairs Minister Claude Cheysson which is aimed at reducing the influence of Communist arms suppliers in developing countries.

There was no advance consultation with Washington, French government sources indicated.

A similar arms contract that could be worth more than 100 million francs might be signed soon with Ethiopia, which Mr. Cheysson recently visited, the spokesman said. He added that an Ethiopian delegation was expected to visit Paris later this month.

A Defense Ministry spokesman declined to comment on the Nicaraguan contract.

Citing government sources, L'Express said the government was hoping for U.S. support, but that officials feared a "lively, emotional reaction from Washington," considering the differing approaches in the two capitals to Nicaragua and Central America in general.

State Department officials in Washington Thursday were studying reports of the agreement but declined immediate comment.

The Mitterrand government, mainly through Mr. Cheysson, has repeatedly criticized U.S. policy with regard to Central America, emphasizing that Washington was playing into the hands of Communist revolutionaries only the Soviet Union and the East bloc as the choice for arms purveyors.

Mr. Cheysson visited Nicaragua last August after the North-South summit meeting in Cancun, Mexico.

Less than two months ago, Thomas O. Enders, assistant secretary of state for inter-American affairs, said that Nicaragua had acquired Soviet T-55 tanks from Algerian and Libyan inventories and that Nicaraguan pilots were being trained to fly MiG fighters.

As part of the Reagan administration's attempt to improve relations with Nicaragua, a number of proposals had been made to Nicaraguan authorities, but there was no response, Mr. Enders said in a speech in Washington.

Commenting on earlier reports of the tank delivery, the State Department said that their introduction represented a threat to the regional stability of Central America.

Nicaragua maintains that it needs to improve its military capability for protection against external opponents of the revolution.

Syria Asks UN Council For Sanctions on Israel

From Agency Dispatches

UNITED NATIONS, N.Y. — Syria has asked the Security Council to pass tough mandatory sanctions against Israel for annexing the Golan Heights and blamed the United States for "encouraging Israel to escalate its aggression."

"A mere condemnation will not be sufficient nor is it a language that Israel understands," Syrian representative Dia Allah el-Fattal told the council Wednesday at its second debate on the extension of Israeli law to the Syrian territory.

"Sanctions and only sanctions under Article 41 of the UN Charter are the sole avenue left," he said.

The United States has said that veto such sanctions but negotiations continued on a possible compromise that would involve voluntary sanctions. A final decision was not expected before the middle of next week.

On Dec. 17, the council unanimously called the Golan annexation "null and void" and gave Israel two weeks to rescind it. It reconvened Wednesday after Israel refused.

Draft Resolution

Arab delegates, supported by the group of nonaligned nations, proposed a draft resolution calling for mandatory sanctions, including an arms and trade embargo and severance of diplomatic ties.

"The United States refuses to understand the Arab position," the Syrian said. He said the United States "continues to provide Israel with unlimited assistance and support in the military, economic and technical fields, thus encouraging Israel to escalate its aggression against the Arabs."

Defending his government's position, the Israeli representative,

Yehuda Blum, accused Syria of threatening Israel for the last 33 years. He said Israel passed its legislation of the Golan Heights, captured in the 1967 war, "to normalize the situation" after waiting 15 years for Syria to agree to negotiations.

In Israel, a settlement organization announced plans Wednesday to sharply increase the number of Jews living on the plateau, an action certain to anger the Arabs further.

The Golan Settlements Committee said it planned to settle 20,000 Jews on the heights in the next four years, raising the Israeli population there to about 27,000. About 15,000 Arabs of the Druze sect also live in the occupied zone.

The Knesset extended Israeli law to the Golan on Dec. 14.

Sinai Compensation Boosted

JERUSALEM (Reuters) — The government has approved increased compensation for settlers in the Sinai peninsula who have threatened to hinder Israel's withdrawal from the area next April under the peace treaty with Egypt.

The plan, announced by Deputy Prime Minister Simcha Ehrlich after talks with settler representatives, allocated 4.1 billion shekels (\$265 million) for the several thousand Israelis who established homes in the region during 14 years of occupation.

The proposal represents an increase of 20 percent over the original sum intended for the settlers.

Activists in the northern Sinai town of Yamit and 13 villages around it welcomed the Cabinet decision. They began a violent campaign a few weeks ago to press for more compensation.

Israel's Immigration Agency Settles Dispute With Austria

From Agency Dispatches

VIENNA — The Austrian government and the Israeli agency that handles the immigration of Soviet Jews to Israel reached a compromise Thursday in a dispute over the handling of the refugees.

The Jewish Agency, which makes travel arrangements for Soviet Jews going to Israel, had complained earlier this week that the Austrian Interior Ministry had posted signs in a Red Cross station telling the refugees that they could use other organizations to make arrangements for travel elsewhere.

Under the compromise reached between Interior Minister Erwin Lang, Jewish Agency Director Baruch Minkovitz and Israeli Ambassador Yitzhak Ben Yacov, the Austrians agreed to remove the controversial announcement from inside the facility.

The Jewish Agency said it had the exclusive right to work with Jews in the transit facility.

The interim agreement provides for arriving Soviet Jews to sign a Russian-language statement in the presence of an Austrian official declaring the possibility of emigrating to countries other than Israel and that they have decided to go to Israel.

Earlier Thursday, Austrian Chancellor Bruno Kreisky rebuked the Jewish Agency for its stand, charging the agency with "imperfection" and saying that it was the "principal right" of refugees to travel where they wanted.

Behind the dispute is a recent sharp drop in the number of Jews allowed to leave the Soviet Union and a row between Israel and U.S. organizations over who is to blame for the decline.

Lowest Level Since 1971

GENEVA (AP) — Jewish emigration from the Soviet Union last year was at its lowest level since the program started in 1971, an international organization said Wednesday.

Statistics released by the Geneva-based Intergovernmental Committee for Migration also showed that fewer than one-fifth of last year's Soviet Jewish emigrants planned to settle in Israel.

Last year's total of 9,460 arrivals at the Austrian transit camp — first stop for all Jewish emigrants from the Soviet Union — compared with 21,470 in 1980 and a 10-year-high of 51,330 in 1979.



Hosni Mubarak

The Associated Press

Ugandan Opposition Front

LONDON — Youssef Lule and Godfrey Binaisa, both former presidents of Uganda, announced Thursday the formation of a united front to oppose the regime of President Milton Obote. They compared his rule to the dictatorship of Idi Amin.

Mubarak Is Doing It His Way on Egypt's Domestic Issues

President Keeps Sadat's Foreign Policy Intact While Mending Fences With Internal Opposition

By William E. Farrell
New York Times Service

CAIRO — During the nearly three months that he has been in office, President Hosni Mubarak has adhered to the foreign policy of Anwar Sadat, as he said he would, but he has put his own stamp on internal policies and issues.

Since Sadat's assassination Oct. 6, Mr. Mubarak has repeatedly said he is committed to the Camp David peace treaty with Israel and the return to Egypt by Israel of the last portion of the Sinai by April 25.

The new president said early in his tenure that Egypt's foreign policy was in good order and that his primary concern was the economy and greater equity in the distribution of the country's resources among its 43 million people.

Last weekend, Mr. Mubarak firmly declared that there was a new order in Egypt when he dissolved the Sadat Cabinet, appointed a premier and ordered him to form a new Cabinet. The premier, Ahmed Foad Mohieddin, a 55-year-old politician and radiologist, was sworn in Monday.

Key Economic Posts

The continuity in foreign policy was reflected in the fact that the original Sadat appointees were kept in jobs related to foreign affairs. But in key economic posts and in such vital areas as finance, tourism, agriculture and health, nine members of the 34-member Cabinet were not retained.

There is, at least for now, a change in the atmosphere because of steps by Mr. Mubarak, not the least of which are the overtures he has made to the political opposition that Sadat, in his last days, exonerated at length, having some of them arrested in the crackdown in which 1,536 persons were detained.

Sadat stunned Egypt by arresting Moslem fundamentalists, politicians, journalists, lawyers and other critics of his government.

He said at the time that all those detained had either "directly or indirectly" abetted "sectarian strife" between Egypt's Moslem majority and its Coptic Christian minority.

Arrests Ordered by Mubarak

The scope of the arrests was widely criticized — privately in Egypt and publicly in the Western press — and Sadat was accused of having used a religious clash last summer in a Cairo slum as an excuse for rounding up anyone who was outspokenly critical of his policies.

After Sadat's assassination by Moslem zealots, Mr. Mubarak ordered another wave of arrests. At least 700 persons were taken into custody, all of them said to be adherents of a Khomeini brand of the Moslem faith that advocated violence to achieve its ends.

Since his inauguration on Oct. 14, Mr.

Mubarak has been altering the scope of Sadat's crackdown.

The first step was mending fences with the political opposition, particularly the Socialist Labor Party led by Ibrahim Shukri, who was a particular target of Sadat because of his opposition to the peace treaty with Israel.

In contrast, Mr. Mubarak has received Mr. Shukri at his presidential office, and the opposition leader, skirting the treaty issue, has several times indicated his support of Mr. Mubarak's efforts to improve Egypt's perennially troubled economy.

Late in November, Mr. Mubarak released 31 of the political detainees, including Mohammed Hassanin Heikal, a well-known journalist. Since then, 56 more persons — journalists, politicians and religious figures — have been freed.

In addition, 30 journalists and 27 university professors whom Sadat removed from their jobs in September but did not arrest were returned to their posts the other day. "The situation has changed completely," Mr. Mubarak said at the time.

Moslem Brotherhood

The release that caused the most comment was that of Omar Tlemessani, the aged leader of the Moslem Brotherhood. In a speech Sept. 5 justifying the crackdown, Sadat mentioned the Moslem Brotherhood, lumping it together with the more militant and youthful group called the Islamic Asso-

ciation. He called the brotherhood an "ill-gi-minate" entity that he had erroneously allowed to function.

The release of Mr. Tlemessani and seven other members of the Moslem Brotherhood was seen by some here as evidence that Mr. Mubarak intends to make a distinction between fundamentalists who advocate strict adherence to Moslem religious law and those firebrands dedicated to changing the secular tone of Egypt's government and much of its society by violent means.

Copts are always edgy about their minority status, and the release of the Moslem Brotherhood members has caused concern among some Copts, who view the move as an indication that Mr. Mubarak is not so solidly in control of the country as has been indicated. These Copts said they felt he must have been under pressure from some Moslems and ordered the releases to ease that pressure.

The Egyptian press, which is government-controlled, also seems to have loosened up a bit. In recent weeks there have been articles about political corruption and criticism of economic policies that were not found in print during Sadat's final months in office. Whether this loosening will increase or be cut back remains to be seen. But editors seem to be trying to see how far they can go.

Three months after the assassination, Mr. Mubarak is still in a grace period, and because of his recent moves some of the acrimony of September has dissipated.

INSIDE

Marathon Merger

U.S. Steel took control of Marathon Oil only a day after Mobil failed to halt the \$6.15-billion takeover, the second most expensive in U.S. corporate history. Mobil's own \$6.5 billion bid was turned aside because of antitrust rulings. Page 7.

TOMORROW

Wren's London

After the Great Fire of 1666 swept through the City of London, Christopher Wren was commissioned to rebuild not only St. Paul's Cathedral but also no fewer than 51 churches. Today 23 of those churches survive in their entirety and offer a chance to explore Wren's world and his genius. A guide to a walking tour, plus a map, will be in the Weekend section.



CHECKED OUT — An Italian paramilitary policeman checks the identity of two men in Verona during a search for kidnapped U.S. Brig. Gen. James L. Dozier. Identity-kit photographs of suspected terrorists (arrow) are attached to the policeman's car. Investigators are examining the transcript of an alleged interrogation issued by the general's captors. Page 5.

Shifts and Complaints by Schmidt May Be Effort to Salvage Image

By Michael Getler

WASHINGTON — The effort to fashion U.S.-West German unity in the Polish crisis has produced repeated misstatements and rapidly shifting assessments that may have been intended to help rescue Chancellor Helmut Schmidt of West Germany from the image he has developed, fairly or not, of being soft on the Russians.

For example, on a number of occasions during his just-completed visit to Washington, Mr. Schmidt complained publicly and privately that he had not "seen any reflec-

spokesman, Kurt Becker, continued to assert that "we do not share this view" when he was asked if Bonn agreed with the U.S. charge that Moscow instigated the Polish crackdown.

It was an assertion that annoyed top U.S. officials, especially because leading figures in France, Italy and England had by then begun to mention Moscow in their public expressions of concern.

Opposition Proposal

The parliamentary resolution that was passed overwhelmingly on Dec. 18 was actually proposed by the opposition Christian Democrats, who had criticized Mr. Schmidt's stance.

In his joint statement with Mr. Reagan Tuesday, Mr. Schmidt and the president also said they "agreed on their analysis of the Polish situation."

On Dec. 30 in Bonn, Mr. Becker said: "This government believes the evaluation of the situation, now as before, is incomplete so that it permits neither a final judgment on the condition of the country nor a prediction about further developments."

Before meeting with the president, Mr. Schmidt went to Capitol Hill and repeatedly complained to a group of senators that West Germany had not been consulted before the United States imposed economic sanctions on the Soviet Union.

It was another remark that stung the administration because Law-

rence S. Eagleburger, assistant secretary of state for European affairs, had spent a week touring European capitals and discussing possible moves shortly before they were announced.

What this pattern of statements suggests is open to speculation. But a number of officials here see a combination of things: frustration felt by Mr. Schmidt about a crisis that is extraordinarily difficult for Bonn to deal with and a recognition by the chancellor that he made a serious miscalculation about how much leeway there is during a crisis within the Atlantic alliance.

Mr. Schmidt's speech in Parliament did represent a toughening of his stance on the Polish situation, as was reported. "With all my heart, I am on the side of the workers," he said.

And in the early days of the crisis, all Western leaders were extremely cautious in public statements. Many basically followed the advice that Mr. Schmidt had offered, namely not to take any early actions that could make the crisis worse.

But the Polish crisis had begun badly for Mr. Schmidt, catching him in East Germany as the guest of the Communist Party chief, Erich Honecker, one of those who had called most often for a crackdown in Poland.

Determined to demonstrate that East-West détente must survive, Mr. Schmidt stayed until the scheduled end of his visit.

He faced a stinging attack by conservative leader Franz Josef Strauss when he got back. But West Germany as a whole has not had the demonstrations that some other allies have experienced in regard to Poland.

Some of the West German press has been sharply critical of Bonn's reticence. "Bonn is making a mockery of itself," said the respected *Süddeutsche Zeitung* newspaper last week.

But there also is considerable domestic and business community support for Mr. Schmidt's caution in dealing with the Soviet Union.

So the view here seems to be that Mr. Schmidt may have hurt himself abroad rather than at home.

Whatever the correct assessment, it is clear to Washington that Mr. Schmidt must be brought into line because a rift between the two key powers on this issue would encourage the Soviets and weaken the Western alliance.

Troops Work In Factories In Poland

(Continued from Page 1)

"ideological verification," are being called in one by one to sit before panels of up to 10 persons to be questioned about their political views. After going through the process, some journalists said it seemed clear that the decision as to whether they could continue their careers already had been made.

Thousands of Polish journalists were put under involuntary leave after martial law was imposed, and publication of dozens of periodicals has been suspended.

The government has also made changes in the routine in Warsaw schools. One teacher reported that the faculty and students arrived Monday to resume classes that had been canceled following the military crackdown. They found an army veteran sitting in the teachers' coat room observing their actions. The teacher said tape recorders and slide projectors had been locked up and the staff's private classroom keys confiscated.

After classes, teachers were called into a meeting with an army major, a department director from the Education Ministry and a school inspector. The major said there was a need to tighten discipline and emphasized "patriotic content" in teaching programs.

Trials of union militants continued. A Katowice court convicted five Solidarity members of illegal union activity in the Tata Katowice steel complex, PAP said Thursday. They were sentenced to prison terms ranging from three to six years.

The unionists were found guilty of "organizing, against martial law regulations and in spite of binding suspension of union activities, of strikes in the steel mill and publication of outlawed communiques and bulletins calling for the continuation of strikes and inciting to murder," PAP said.

Bleak Report on Debt

BRUSSELS (Reuters) — Poland has provided Western creditors with another bleak picture of its financial situation and prospects of ever repaying its debts, European banking sources said Thursday.

They said documents secretly issued to major creditors in November showed that Poland needed \$10.1 billion to pay its debts in 1982 but that its gold and hard-currency reserves were less than \$230 million at the end of September.



ARMED AND READY — Mother Ilarija carries a gun at the Serbian Orthodox convent she heads in Kosovo province, Yugoslavia. Ethnic Albanians reportedly beat up nuns, destroy crops, blind cattle and terrorize sisters and guests. The area is predominantly Albanian populated.

Carrington Says Europeans May Alter Stand on Poland

(Continued from Page 1)

government-to-government Common Market food aid to Poland after shipments in the pipeline are completed.

"Taking very limited action against Moscow, such as restricting all European imports from the Soviet Union except oil and natural gas."

Food Aid Will Continue

But the Europeans would do nothing collectively, according to these sources, that would hinder privately handled European food aid to Poland, jeopardize the Soviet-Western European natural gas pipeline deal, or disrupt East-West arms control negotiations.

The Reagan administration's acceptance of these limitations, the sources said, may make it easier to achieve agreement among the European allies on other measures.

Some sources suggested that the West German government may not be as reluctant as previously believed to agree to some of the measures being considered by the European allies.

They noted that Foreign Minister Hans-Dietrich Genscher of West Germany joined Lord Carrington and Claude Cheysson, France's minister of external affairs, in expressing strong interest this week in the idea of offering Poland a major Common Market aid package contingent on easing martial law.

The biggest hurdles for this suggestion are its potential cost to the financially pressed Common Market countries and the difficulty in setting and enforcing the conditions Gen. Jaruzelski would have to satisfy to get it.

Alluding to the view of some in Europe that much of the timing, tone and content of the Reagan administration's sanctions was dictated by American interests and public opinion pressures, Lord Carrington suggested that any European actions also must be tailored to European interests.

"What has been done by the American government has been done for American reasons," he said, "and what the Europeans may choose to do can be done for European reasons."

Washington — The Soviet Union has begun moving more troops into Afghanistan, U.S. military analysts say.

About 10,000 soldiers from the regions just north of Afghanistan had moved over the border in recent weeks, two years after the first intervention occurred in 1979, the analysts said Wednesday.

That has brought the total number of Soviet military people in Afghanistan to about 95,000, they said. Reports about a week ago from Western diplomats in Kabul that Soviet forces in Afghanistan numbered 110,000 to 120,000 were overstated, they added.

NEW YORK — A U.S. citizen who was held in Iran against his will says that he and his family used a camel, a horse, and a motorcycle to escape to Pakistan.

Mohi Sobhani, 41, was one of three U.S. citizens held by Iranian authorities after they freed 52 hostages from the U.S. Embassy in Tehran on Jan. 20, 1981.

Mr. Sobhani was imprisoned for about five months during the hostage crisis. He was released on \$1-million bond on Feb. 4, 1981, but forbidden to leave Iran. He said

in addition, the analysts reported new tactics by the Soviet forces that include attacks on insurgent regions by jet aircraft and helicopter gunships from sanctuaries north of the border in the Soviet Union.

Military analysts here reported several weeks ago that they had evidence the Soviet Union was preparing to increase its forces in Afghanistan. They surmised that So-

viet military authorities had asked for the reinforcements because the occupying army was bogged down in a stalemate with Afghan insurgents.

Appeal to End Executions

LONDON (Reuters) — In letters to be released on Friday, Amnesty International has appealed to the Afghan government and to

guerrillas fighting the government to stop executing prisoners.

The London-based human rights organization said it had sent a letter to President Babrak Karmal of Afghanistan citing reports by Kabul radio that at least 16 political prisoners were executed last year.

The letter said that President Karmal told an Amnesty International delegation in February, 1980, that he was committed to abolition of the death penalty.

Mr. Sobhani said he sneaked to Qazvin, about 100 miles (160 kilometers) northwest of Tehran, to train for his escape.

"We escaped through rugged parts of northern Iran," he said. "I had a difficult time to convince my wife to get on a camel. I promised her it would be one hour only. It turned out to be 18 hours." He added, "We also rode a horse, a mule and a motorcycle, which for me was a first."

He said the U.S. State Department opened the embassy in Karachi on New Year's Eve to issue the family passports and visas to get back to the United States. The

WORLD NEWS BRIEFS

Reagan Extends Draft Registration

The Associated Press

WASHINGTON — In a policy reversal, President Reagan has decided to extend the draft registration program he once criticized as ineffective and a meaningless gesture, administration sources said Thursday.

Mr. Reagan's turnaround apparently was prompted by advice from Defense Secretary Caspar W. Weinberger and Secretary of State Alexander M. Haig Jr., who argued that suspending draft registration would send the wrong signal to the Soviet Union in the middle of the Polish crisis.

Draft registration was ordered in July, 1980, by President Jimmy Carter. Since then, 6.5 million young men 18 to 21 years old have registered for the draft, and more than 800,000 have failed to do so, according to the Selective Service System. The Justice Department on Dec. 10 temporarily suspended plans to seek indictments against some of those who had not registered.

Israeli Foreign Minister Meets Pope

The Associated Press

VATICAN CITY — Pope John Paul II told Foreign Minister Yitzhak Shamir of Israel on Thursday that a just solution to the Palestinian problem, taking into account the Jewish state's security needs, is vital to Middle East peace, the Vatican reported.

A communiqué released after the pontiff's meeting with Mr. Shamir also reflected long-standing differences between the two sides over Jerusalem, which Israel considers its undivided and eternal capital. The pope called for a "just and agreed upon solution" regarding the city's status.

The 30-minute meeting was the first high-level visit by an Israeli official here in four years. The Vatican communiqué said the pontiff expressed the hope that Middle East peace negotiations would be broadened to include all the interested parties of the region.

India to Hold Third World Meeting

The Associated Press

NEW DELHI — India, in a follow-up to the October economic conference in Mexico, will convene a meeting of 32 countries Feb. 23-24 to firm up the Third World's position in future North-South negotiations, a government spokesman said Thursday.

There has been "an overwhelmingly positive response" to the initiative of Prime Minister Indira Gandhi and her government, the spokesman said.

The meeting will deal with matters such as energy, resources, foreign aid, investment and trade terms with industrialized countries. The list of participants will be announced in a few days, the spokesman said.

Zimbabwe Holds 3 Security Officers

The Associated Press

SALISBURY — Three white security police officers have been arrested for allegedly hoarding arms. Prime Minister Robert Mugabe's office said Thursday.

The officers, who have not been identified, were held after raids on their homes by fellow security police New Year's Eve, according to the minister of state in the prime minister's office, Emerson Munungagwa, who is in charge of the security police.

In a New Year's address, Mr. Mugabe vowed to purge the armed forces and police of anti-government "subversive elements." The security police in the last quarter of 1981 detained under emergency-powers regulations at least eight whites for allegedly spying for neighboring white-ruled South Africa and plotting to overthrow the government.

Saudis and Chinese Said to Arm PLO

The Associated Press

SHARJAH, United Arab Emirates — A Palestinian leader said Thursday that Saudi Arabia and China were the main suppliers of arms for the Palestinian guerrillas.

Khaled al-Hassan, a member of the Central Committee of el-Fatah, the Palestine Liberation Organization's largest group, made the statement in an interview with the Sharjah-based newspaper *Al Khaleej*.

Mr. Hassan made no reference to the Soviet Union, which is widely believed to be the principal source of arms for the Palestinians.

Reagan Delays a Decision on Taxes

Reuters

WASHINGTON — President Reagan is giving himself more time to reach decisions on budget and tax policy, David R. Gergen, the White House communications director, said Thursday.

Mr. Gergen said the decisions for the fiscal year beginning this October could be made as late as Jan. 26, when the president plans to deliver his State of the Union address. The budget is scheduled to go to Congress on Feb. 8.

Mr. Gergen also said the president had barred administration officials from making public statements about budget and tax policy pending completion of the budget for fiscal 1983.

On Wednesday, Treasury Secretary Donald T. Regan said he thought there would be tax increases in 1983 and 1984 in order to hold down federal deficits, which are running at more than \$100 billion a year.

On Thursday, Norman Ture, undersecretary of the Treasury for tax and economic affairs, said that while the president remained committed to the basic tax cut program implemented last year, there would likely be some tax increases — "minor adjustments" to cope with the budget deficit.

Iraqi Oil Pipeline Blasted in Turkey

United Press International

ANKARA — A pipeline carrying Iraqi crude oil across Turkey to the Mediterranean has been blown up, the second act of sabotage against Iraqi oil lines in four days, authorities said Thursday.

The latest explosion, early Wednesday, damaged the pipeline in the Silopi-Idil region of Mardin province near the Iraqi border. On Sunday, an explosion damaged a pipeline carrying crude from Iraq across Syria to the Lebanese coast. A leftist guerrilla group calling itself the Iraqi Mujahidin Movement later claimed responsibility for the blast.

The two explosions were severe blows to Iraq's efforts to boost exports of crude to help finance its 15-month-old war against Iran. From nearly 3.5 million barrels a day before the war started, Iraq's exports are now down to as little as 600,000 daily.

U.S. Analysts Say Russia Adds to Afghan Force

New York Times Service

WASHINGTON — The Soviet Union has begun moving more troops into Afghanistan, U.S. military analysts say.

About 10,000 soldiers from the regions just north of Afghanistan had moved over the border in recent weeks, two years after the first intervention occurred in 1979, the analysts said Wednesday.

That has brought the total number of Soviet military people in Afghanistan to about 95,000, they said. Reports about a week ago from Western diplomats in Kabul that Soviet forces in Afghanistan numbered 110,000 to 120,000 were overstated, they added.

NEW YORK — A U.S. citizen who was held in Iran against his will says that he and his family used a camel, a horse, and a motorcycle to escape to Pakistan.

Mohi Sobhani, 41, was one of three U.S. citizens held by Iranian authorities after they freed 52 hostages from the U.S. Embassy in Tehran on Jan. 20, 1981.

Mr. Sobhani was imprisoned for about five months during the hostage crisis. He was released on \$1-million bond on Feb. 4, 1981, but forbidden to leave Iran. He said

in addition, the analysts reported new tactics by the Soviet forces that include attacks on insurgent regions by jet aircraft and helicopter gunships from sanctuaries north of the border in the Soviet Union.

Military analysts here reported several weeks ago that they had evidence the Soviet Union was preparing to increase its forces in Afghanistan. They surmised that So-

viet military authorities had asked for the reinforcements because the occupying army was bogged down in a stalemate with Afghan insurgents.

Appeal to End Executions

LONDON (Reuters) — In letters to be released on Friday, Amnesty International has appealed to the Afghan government and to

guerrillas fighting the government to stop executing prisoners.

The London-based human rights organization said it had sent a letter to President Babrak Karmal of Afghanistan citing reports by Kabul radio that at least 16 political prisoners were executed last year.

The letter said that President Karmal told an Amnesty International delegation in February, 1980, that he was committed to abolition of the death penalty.

Mr. Sobhani said he sneaked to Qazvin, about 100 miles (160 kilometers) northwest of Tehran, to train for his escape.

"We escaped through rugged parts of northern Iran," he said. "I had a difficult time to convince my wife to get on a camel. I promised her it would be one hour only. It turned out to be 18 hours." He added, "We also rode a horse, a mule and a motorcycle, which for me was a first."

He said the U.S. State Department opened the embassy in Karachi on New Year's Eve to issue the family passports and visas to get back to the United States. The

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February 8 and 9, 1982 in Paris

The election of François Mitterrand and the subsequent Socialist victory in the French parliamentary elections clearly mark an important turning point for the French economy. With the cooperation of the new Socialist government, the International Herald Tribune has organized a conference designed to help senior executives of foreign companies judge how the new administration's policies will affect their company's activities and investment in France. Prime Minister Pierre Mauroy will open this meeting on "New French Economic Policies," to be held February 8 and 9 at the Intercontinental Hotel in Paris.

The program will include presentations by Jacques Delors, Finance Minister; Michel Jobert, Minister of Foreign Trade; Michel Rocard, Minister of Planning and Regional Development; Nicole Questiaux, Minister of Social Policy; Pierre Dreyfus, Minister of Industry; Jean Auroux, Minister of Labour; André Chadenet, Minister of Agriculture; Laurent Fabius, Minister of the Interior; Jacques Attali, Special Counsellor to the President; Bernard Attali, President of D.A.T.A.R., the French government's regional development agency; Christian Goux, Chairman of the Economic and Finance Committee of the National Assembly, and other senior government officials.

Additional insights on various aspects of doing business in France will be provided by André Bergeron, Secretary General of the "Force Ouvrière" trade union, by a panel of international bankers and by a panel of industrialists. The former will include Hervé de Carnoy, General Manager of the Midland Bank Ltd.; Jean Delfassieux, Director of International Affairs, Crédit Lyonnais; and Edouard Velten, Advisor to the Board of Executive Directors, Bayerische Vereinsbank. The industrialists' panel, to be chaired by David McGovern, President of the American Chamber of Commerce in France, will include: Rudolph Boniface, Chairman of Ford France; Jean Gandois, Chairman of Rhône-Poulenc; Jean-Luc Lagardère, Chairman of Matra; Bernard Lathière, President of Airbus Industries; and Yves Ragouneau, President of Sony France.

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Jeans and Pepsi Signs Spoil Rebellious Image Of Nicaraguan Capital

By Warren Hoge
New York Times Service

MANAGUA — No stranger to invasions in recent years, Managua today is being occupied by a fresh-faced army of backpacking youths in shorts and hiking boots. They are leftist students on holiday from Europe, here to see the revolution firsthand.

That is not easy to do in Managua, which is one of the world's strangest looking cities. The central area was not rebuilt after being leveled by a 1972 earthquake that killed 10,000 residents, and the desolate area of weeded-out lots is relieved only by the shells of crumbled buildings and by park areas and ceremonial plazas constructed by the Sandinistas.

Oak saplings have been planted along thoroughfares in a project that planners say will eventually lower the punishing daytime temperature by 15 degrees Fahrenheit. Former bank buildings that withstood the tempest have offices of the newly named Government of National Reconstruction. The second floor is filled with men and women working at drafting easels.

There is revolutionary fervor to be seen in Nicaragua, but it tends to become dissipated in the bleak spaces of Managua.

Portraits of the movement's namesake, Augusto César Sandino, break pattern with those of hot-eyed rebel heroes. He is pictured slouching, in high boots with the laces loose at the top, bloused trousers, a broad-brimmed hat and a bow tie or foulard rakishly flowing from his collar. It could be a photograph of a fondly remembered eccentric uncle.

Hughes Hideaway

Presiding imperially over the wasteland of what was Managua is the hilltop Inter-Continental Hotel, whose top-floor suites were once the hideaway home of Howard Hughes. It has now become a gathering spot for the visiting European students.

They spend every morning eating enormous breakfasts there and then they return home and complain that the revolution is too bourgeois for having such a place," said Willi Germond, a German writer who lives here.

These well-fed young skeptics are right. Revolutionary Nicaragua does not fulfill the hopes of those outsiders who have, for various reasons, sought to portray it as a politically committed state.

A cartoon on the Sandinista Television System showing people being chewed up and spit out by the fearsome gears and cranks of a factory marked "capitalism" is followed by a freelance advertisement showing how palmy life is when accompanied by Pepsi-Cola.

A banner at Augusto César Sandino Airport proclaiming "You don't talk about sovereignty, you defend it with arms at the ready" shares the same wall space with a

plastic sign welcoming new arrivals to "Nicaragua, Another Diners Club Country."

Let your eye descend from the fist of a Sandinista Youth militant pummeling the air in anger over "yanqui" imperialists to the inevitable blue jeans and you will often encounter the stitched name of Gloria Vanderbilt or Calvin Klein.

The contradictions of life in Nicaragua get a robust airing each day in the three newspapers — Barricada, the official Sandinista publication; Nuevo Diario, a journal that generally supports the government; and La Prensa, the daily that relentlessly attacks it.

In addition, government leaders appear every Friday night at public complaint sessions that are taped and shown on television. The criticisms are often blunt, and the Sandinista officials confess errors. The governing junta has issued a New Year's resolution publicly apologizing for not having met 1981 production goals.

Frequent Punishment

La Prensa has stung the Sandinista leaders so deeply that they have shut it down temporarily on five occasions, but when, as at present, the government harassment subsides, the editorial competition is as vigorous as anywhere in the region.

Barricada and Nuevo Diario devote several front-page articles each day to rebutting La Prensa, and La Prensa gives equal attention to what it considers the deviations of its competitors.

La Prensa's vigilance against creeping statism is such that it waged a campaign against a government demand that motorcyclists wear protective helmets on the basis that it represented authoritarian encroachment on individual liberties.

Barricada and Nuevo Diario hailed the imposition of martial law in Poland as "the salvation" of that country and ran articles depicting Lech Walesa as a no-account workaholic who was always being dismissed from jobs until he finally obtained full-time employment with the Central Intelligence Agency.

La Prensa retaliated by publishing purloined instructions to Barricada and other official organs from the Sandinista Department of Propaganda and Political Education on the correct approach to handling "the delicate social situation in which our Polish brothers find themselves."

The memorandum said that only facts confirmed by Soviet or Cuban press agencies should be printed and not those "transmitted by international news agencies controlled by imperialism," and that emphasis should be placed on "positive aspects like the re-establishment of stability, tranquillity and order."



William Bonin, left, and an attorney.

California Truck Driver Convicted Of Killing 10 Boys and Young Men

New York Times Service

LOS ANGELES — William Bonin, a 34-year-old truck driver, has been convicted of murdering 10 boys and young men and abandoning their bodies near freeways in Los Angeles County in 1979 and 1980.

He was acquitted Wednesday of killing two other young men in the heavily publicized freeway killings case that haunted the homosexual community here for months.

The jury that convicted Mr. Bonin also decided that because of the multiple murders and because several victims had been robbed the case involved "special circumstances." This meant that he would be sentenced under a California law requiring the use of the death penalty or a life sentence without possibility of parole. The same jurors will decide on the penalty.

Witnesses said Mr. Bonin had boasted or indicated to them that he had killed up to 21 youths. He was charged only with 12 murders in Los Angeles County from May, 1979, to June, 1980. He also faces charges on four murder counts in Orange County.

Records Show Casey Lobbied Top U.S. Officials Without Registering

By Patrick E. Tyler
Washington Post Service

WASHINGTON — William J. Casey, a private lawyer working for the Indonesian government, lobbied top officials of the Treasury Department in 1976 for multimillion-dollar changes in the U.S. tax law without registering as a foreign agent.

Mr. Casey, now CIA director, has contended during past Senate inquiries that he performed limited legal services and attended "informal" meetings with Internal Revenue Service officials. But the Washington Post indicates that Mr. Casey was advocating specific changes in tax policy outside established channels with top political appointees of President Gerald R. Ford's administration, including Treasury Secretary William E. Simon.

The issue of whether Mr. Casey should have registered as a foreign agent is under Justice Department review following the Senate Intelligence Committee inquiry last fall, which concluded that Mr. Casey was not unfit to serve as director of the CIA. Stanley Sporkin, the CIA general counsel, has maintained that Mr. Casey was not required to register as a foreign agent.

A lawyer representing a client, including a foreign government, in an "established proceeding" such as an IRS tax ruling case is not required to register as a foreign agent but is supposed to register if he is engaged in "political activity." The law defines that as any action intended to "persuade or influence any officer or official of the United States ... with reference to formulating, adopting or changing the domestic or foreign policies of the United States ..."

Documents and interviews with former officials show that Mr. Casey met first with the Treasury secretary and the assistant secretary for tax policy, a State Department official, and later with IRS officials, urging the IRS to put aside its objections to the Indonesian production contracts with major U.S. oil companies and the claims for tax credits for overseas taxation. In 1978 the IRS shifted to the position favored by Indonesia.

On July 8, 1976, Mr. Casey met with Mr. Simon and his assistant secretary for tax policy, Charles M. Walker, to enlist their aid. Mr. Walker followed the meeting by writing a July 9, 1976, memorandum to Donald C. Alexander, the IRS commissioner at the time, urging him to expedite new tax rulings.

In an interview this week, Mr. Alexander said that Mr. Simon and Mr. Walker became involved in the foreign tax credit question. "I just thought the IRS ought to have called them the way we saw them without regard to political considerations."

Both Mr. Simon and Mr. Walker said recently that they do not recall the meeting, but they do dispute what the government documents show.

Mr. Casey's argument that he was not required to register as a foreign agent centers on the exemption for attorneys performing legal services in what the law calls

an "established agency proceeding."

IRS regulations specifically state that only U.S. taxpayers may apply for IRS rulings in an established agency proceeding, which requires a formal application and specific submissions. Mr. Casey made no such application and instead attempted to win a favorable policy change for Indonesia by going through top Treasury officials.

Justice Department spokesman John Russell said Wednesday that private lawyers have an obligation to register as agents of foreign clients "when they attempt to influence or persuade government officials, except in established agency proceedings."

"In other words," Mr. Russell said, "arguments must be made in a proceeding rather than informal

ly up on the Hill or over the breakfast table or in private meetings in the executive branch. It has to be some sort of forum, such as a court or a hearing."

The Indonesian tax matter began in May, 1976, when major oil companies operating in Indonesia, including Texaco, Atlantic Richfield and Mobil, were put on notice that the IRS would no longer treat their "production sharing" arrangements with the Indonesian government as a foreign tax that could be deducted from U.S. taxes.

On June 1, 1976, Peter R. Fisher, one of Mr. Casey's partners at Rogers & Wells, wrote a letter to Robert J. Patrick Jr., the Treasury's international tax counsel, to set up a meeting. "Rogers & Wells was retained by the government of Indonesia ... to advise it on ways to overcome the Internal Revenue

Service's objections to the procedure for collecting Indonesian taxes ...," the letter said.

On July 8, 1976, Mr. Casey met with Mr. Simon and Mr. Walker and delivered to them a seven-page memorandum. The memo stated that Mr. Casey and Rogers & Wells "have been instructed by the Indonesian government to use our best efforts ... to develop a procedure for the prompt official publication of a statement to the effect that Indonesian income taxes ... will be eligible for the foreign tax credit, either in the form of a public [IRS] revenue ruling or otherwise."

On July 14, 1976, Mr. Casey and Mr. Fisher met with Assistant IRS Commissioner John L. Withers and four other IRS officials for a 40-minute conference on the Indonesian case, according to a con-

ference report in the IRS files. Mr. Withers informed Mr. Casey that the IRS "could not express any opinion as to whether or not a tax credit would be given until ... a U.S. taxpayer requested a ruling from the service."

The conference report also noted that "A memo which Casey had delivered earlier to Assistant Secretary Walker was distributed to IRS participants."

On July 29, 1976, Mr. Casey sent Mr. Withers seven pages of additional information about proposed changes in the Indonesian tax structure.

Former IRS officials said this week that none of these actions were part of an "established agency proceeding" since Mr. Casey's foreign client had no standing to request an IRS revenue ruling.

"That's not an established agency proceeding when he's going to the [Treasury] secretary," said former IRS Commissioner Sheldon S. Cohen.

By the end of August, 1976, the IRS had noted in its files that it had refused Rogers & Wells' request and continued to wait for a U.S. taxpayer to make a formal application to initiate an established agency proceeding.

In 1977, a year after the firm began work for Indonesia, Rogers & Wells registered as a foreign agent because "the firm foresaw a possible need to move to an advocacy position with respect to the IRS," according to a letter supplied to the Senate committee. The firm's registration statement said the only partner working on the case was Peter Fisher.

In 1978 the IRS reinstated foreign tax credits in Indonesia.

U.S. Scientists Revise Views on Solar Activity

By George Alexander
Los Angeles Times Service

WASHINGTON — Much of the sun's violent activity, especially the spectacular explosions known as solar flares, is caused by powerful magnetic fields that become twisted, eventually snap and then erupt through the star's outermost layers, physicists at a major scientific conference have said.

The long-standing image of the sun as a sphere of gases in which the forces of its own gravity, directed inward, are neatly counterbalanced by the outward pressures of thermonuclear burning is oversimplified, Sabatino Sofia of the U.S. space agency's Goddard Space Flight Center said Wednesday at the annual meeting of the American Association for the Advancement of Science.

After a decade of intensive research from ground-based observatories, balloon-borne instruments and satellite experiments, Mr. Sofia and other scientists have said their understanding of the turbulence that seethes inside the sun has improved.

They have found, for example, that the solar corona — a wispy shell of gas enveloping the sun that usually is visible only during an eclipse — gives off large amounts of strong X-rays, and also throws off great quantities of ionized gas at high speeds.

James A. Ison, another Goddard physicist, said at the meeting that discovery of powerful magnet-

ic fields moving back and forth inside the sun is now seen as the mechanism responsible not only for these phenomena, but also for the explosions called flares, the variations in the diameter of the sun, the fluctuations in solar luminosity, and the 11-year cycle of sunspots.

Links to Climate Seen

In turn, Mr. Ison, Mr. Sofia and other physicists participating in a panel on solar flares said that these variations in the sun's output can now begin to be tied to the so-called "mini-ice ages" and other climatic changes of the past few centuries on Earth.

Deep inside the core of the sun, the scientists explained, the sun is fusing hydrogen and deformed helium and releasing tremendous quantities of radioactive energy. Much of this energy is absorbed in the upper layers of the sun, just below its visible surface, in a zone where convection cells — rising and sinking plumes of hot electrified gas — are created.

Because the sun is also rotating rapidly, and because a moving electrical field generates a magnetic field, this zone is the site of the sun's magnetic fields.

In fact, Mr. Ison and Mr. Sofia explained, as the sun spins, these plasma-induced magnetic tubes grow in strength and start to become twisted. The strength of these tubes can build to a point where the electromagnetic forces actually heat and lift the outer layer of the sun by as much as 100 to 200 miles (160 to 320 kilometers).

Fields Build

Periodically — approximately once every 11 years — the intensities of these fields build to a point where the tubes are no longer confined to the convection zones. Then, in Mr. Sofia's words, "buoyancy ... makes the magnetic tubes float above the solar surface," and they appear as "active" regions on ground-based telescopes and other scientific instruments.

Observers recognize these regions by handlelike loops that sometimes emerge from the surface and then bend back down into the sun, their magnetic forces uncontained, and sometimes as uncontrolled flares erupting from the sun and growing their pent-up energies in all directions.

The dissipation of these energies causes the sun to relax and shrink its previously bloated surface, and the process begins a new 11-year cycle.

Paper Is for Sale In Philadelphia

New York Times Service

NEW YORK — The Bulletin in Philadelphia is for sale, its owner has announced, and the publisher said that recent financial results "do not augur well for the future."

An announcement was issued jointly Wednesday at the headquarters of the owner, the Charter Co., in Jacksonville, Fla., and by the publisher, N.S. Hayden, in Philadelphia. Charter said it was "currently engaged in discussions with a prospective buyer" whom it declined to identify.

The Bulletin, one of three daily newspapers in Philadelphia, lost \$10.3 million in the first six months of 1981 on top of a total deficit of \$20.1 million the two previous years, according to Charter. Charter, primarily an oil company, bought the paper in April, 1980.



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Egos and U.S. Security

Richard V. Allen, President Reagan's first national security adviser, ended up being cleared of the allegations of improper behavior that had swirled about him. In the highly politicized atmosphere in which those allegations arose, however, he became vulnerable to power struggles and personal rivalries inside the administration and to complaints that, essentially, he was not good enough at his job. Whether the complaints would have had so much force if the rivalries had not been unclear. In any event — and this much is clear — he became first a bother to some of the president's men and then an embarrassment to the president. So, reasonably gracefully in the circumstances, he was let go.

His replacement, Deputy Secretary of State William P. Clark, has worked only a year in foreign affairs, against the 20-plus of his predecessor. Mr. Clark, however, enjoys an unusual measure of personal weightiness, based at once on his California connection to Mr. Reagan and on his calculated, no-nonsense, confidence-building service in the State Department. No hint of a policy change is detectable in the appointment.

But there is something else. The experience of a year has proved the inadequacy of the original Reagan national security system.

Under that system, the post of national security adviser, which had previously been filled by influential figures, was downgraded. Typically, Mr. Allen had no direct access to the president and had to work through the "big three" of the White House staff, principally counselor Edwin Meese 3d. Mr. Clark takes up his new duties with assurances that the position will be restored to its earlier status and, specifically, that he will have his own access to the president.

It was a bad idea to have kept Mr. Allen at such a remove from the president. It was a bad idea to have Mr. Meese, who had no experience at all in foreign affairs and who has a great many other responsibilities, controlling the president's national security exposure. The new system would seem to correct those particular flaws. But whether it will result in a better-assembled and executed policy has to await the test of further experience. Lines on a chart mean something. Personalities, egos can mean more. No system by itself can assure that a president will put to good use all the information, insights and connections that are essential to a sound foreign policy. The spotlight inevitably swings back to Mr. Reagan.

THE WASHINGTON POST.

Best Wishes for Cities

You can afford to regard the Reagan administration's plan for enterprise zones with profound detachment. It won't cost much, because it won't do much. As the administration cuts renewal and welfare funds, the cities bitterly charge it with a heartless disregard of their troubles. The administration feels a need to respond, and that's why it now puts forward — in principle, with details to come later — the enterprise zone.

The idea is to provide an irresistible array of federal tax exemptions and credits to employers who locate plants in the blighted urban neighborhoods that are to be the designated zones. One proposal, for example, is to offer the employer a tax credit of perhaps \$1,500 a year for each worker. You may recall that the Carter administration provided a substantially larger amount in what it called the Targeted Jobs Tax Credit; last spring the Reagan administration denounced that credit, with justification, as ineffectual. The enterprise zone would also give the employer special tax credits for investment in plant and equipment, but the new tax law already has investors awash with special breaks and benefits.

Local governments have had a lot of expe-

rience over the years with tax breaks as bait for industrial development. On the whole, it has not been happy experience. Companies — especially strong companies capable of providing stable and well-paid jobs — do not generally give a high priority to tax inducements when they locate their plants. Typically the first consideration is the quality of the labor supply. The general character of the surroundings usually counts heavily.

Or, to put it the other way, there are usually substantial reasons why blighted neighborhoods stay blighted. They are expensive and unattractive places in which to try to carry on businesses. Cities have also had a lot of experience with renewal. It's possible, as hundreds of projects have demonstrated, but it's extremely expensive and, in all but the rarest of circumstances, requires direct federal subsidies. The tax breaks offered by the enterprise zones are very modest in comparison with the costs of urban redevelopment.

The enterprise zone proposal is a get-well-soon card from the White House to rundown and hard-pressed cities. It assures them of much sympathy and concern. But there's no mention of anything more tangible.

THE WASHINGTON POST.

Equitable Tax Gimmick

"This is a sick piece of legislation. The sooner they kill it the better." That is one security analyst's view of new tax provisions that permit a company to sell unused tax benefits to the highest bidder. The sentiment is shared by many in Congress, who see repeal of the controversial reform as a good way to generate badly needed revenues.

Last summer's reduction in business taxes may indeed be too generous, securing too little supply-side bang for each lost revenue buck. But the lease-a-tax-break is not the problem. On the contrary. By making it possible to sell unusable benefits, the leasing deals reduce potentially large inequities in the corporate income tax.

One reason for cutting taxes was to induce more investment. That could have been managed in any number of ways, including the ingenious system devised by Dale Jorgenson, a Harvard economist, which would have neutralized the effect of inflation on tax rates. But President Reagan and Congress followed business lobbyists in supporting a more traditional approach. They expanded the benefits from the investment tax credit and liberalized the rules for accelerated depreciation.

Tax credits and depreciation allowances are not refundable in cash from the Treasury; they can only be used to offset tax liability. Thus companies that owe little or nothing in taxes are unable to use such benefits. And it was to "even out the playing field" that Congress made it possible to sell unusable benefits through lease-back agreements.

Let's say Company X buys a \$100,000 machine, entitling it to an immediate \$10,000 tax credit, plus future tax shelter through rapid depreciation write-offs. If Company X cannot use those benefits, it may sell the machine to Company Y and lease it back on

favorable terms. Company X gets the machine. Company Y, the nominal owner, gets the tax break.

One complaint now heard is that the provision encourages sham transactions — paper shuffles should not be altering tax liability. Making the tax benefits refundable in cash would certainly have been neater. But direct Treasury subsidies were not possible politically. So to provide equal incentives to companies with unequal tax liabilities, Congress provided the lease-back option.

A more pragmatic objection focuses on just this point: Why subsidize losers? If Chrysler isn't profitable now, why encourage it to toss good money after bad? One answer is that past performance is an uncertain predictor of future profit. Given an equal incentive to invest, Chrysler may well become an efficient producer. Second, it is difficult to make a legal distinction between companies that are unprofitable because they are chronically "losers," and "winners" that have not yet become profitable.

The real problem is not with tax-leasing as such, but with tax incentives so generous that too many companies have excess tax benefits to sell. No one knows how much the new tax law is worth to corporate America; that depends on how rapidly the economy grows. But by some plausible estimates, corporations with average rates of profit and investment may end up paying no taxes at all.

That is not necessarily a terrible thing. Competition makes it likely that most of the tax break will be passed through to consumers in lower prices. But it may well be necessary to increase tax revenues next year to restrain inflation. One might well ask business to shoulder part of the burden.

THE NEW YORK TIMES.

Other Opinion

Reagan's Russian Methods

Latin America shows: In "his" area of influence, President Reagan uses methods that are similar to those used by his colleague Brezhnev in Eastern Europe. He resists changes and tries, with the aid of allies, to prevent these by interventions. He who legiti-

mately denounces Soviet violations of human rights in Afghanistan and Poland, who is opposed to the toleration of undesired regimes, must not permit that comparable injustices in the Western Hemisphere are glossed over or tolerated. Ronald Reagan does both.

— From the Basler Zeitung (Basel).

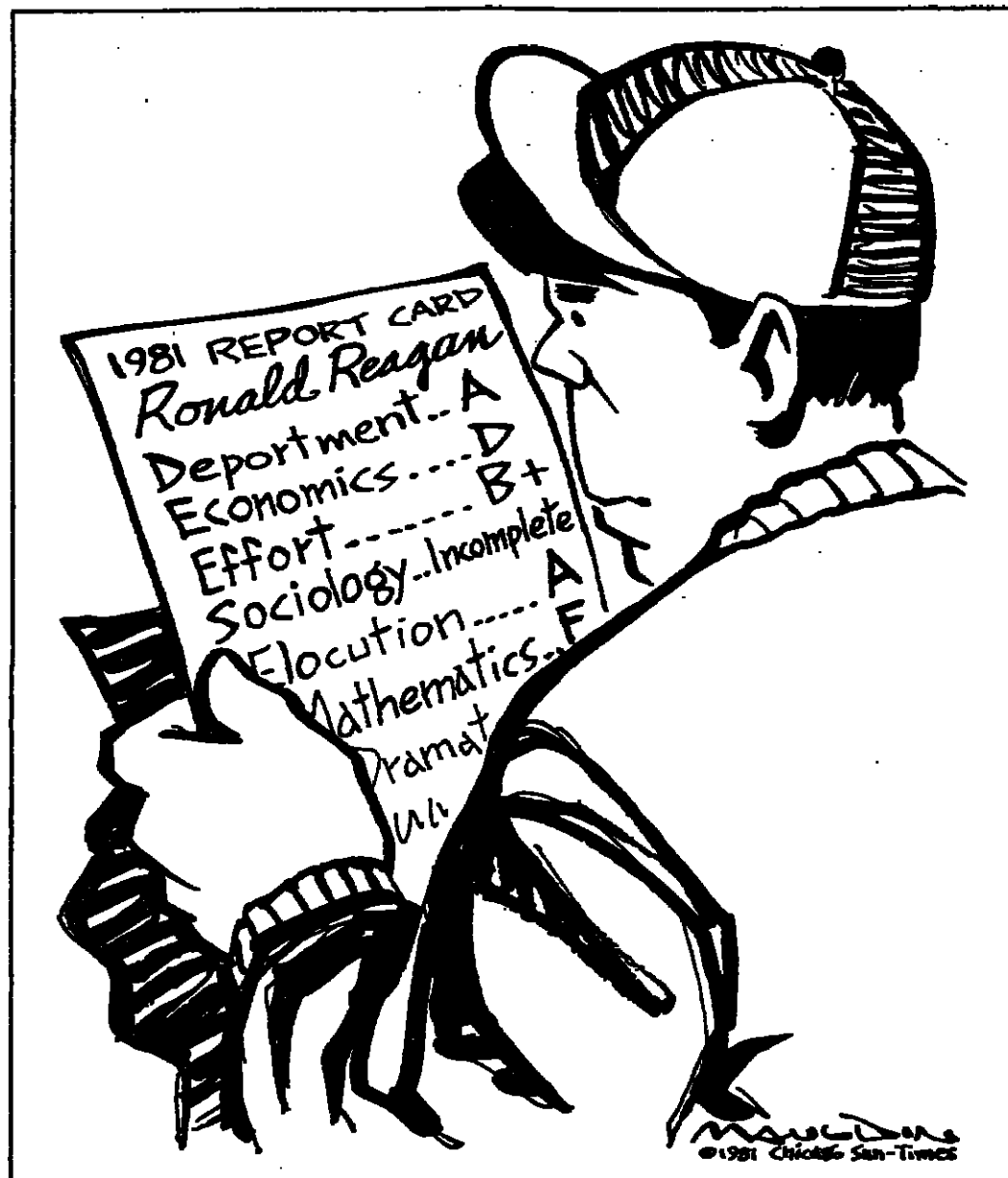
Jan. 8: From Our Pages of 75 and 50 Years Ago

1907: Wireless Telegraph

WASHINGTON — The practical result of the Herald's fight for intercommunication between wireless telegraph systems came today, with the bidding of the Marconi Company for two sets of apparatus to be installed on the battleships Kansas and Vermont. The Marconi Company had previously refused to sell to the Navy, but the Herald's exposure of Marconi's refusal to communicate with the Lebanon wireless and the State Department's insisting on intercommunication reversed its stand. It is believed that by this concession the Marconi Company hastens the day of universal communication.

1932: Trotsky Anti-Hitler

BERLIN — Violently attacking the methods of German Communists in an essay published today in Germany, Leon Trotsky, who was exiled to Turkey three years ago, appeared as a left-handed friend of current German Socialism and an implacable foe to Hitlerism. Entitled "How National Socialism May Be Defeated," the work warns that unless the German Communists and Socialists get together, Hitler's brand of Fascism will win and ruin all other schemes, Communist, Socialist or what-have-you. Trotsky says that he is strongly opposed to Socialism, but that differences with that party should be temporarily forgotten in the urgent task of smothering Fascism.



Poland: The Legacy of Yalta

By William Pfaff

PARIS — "This war is not as in the past. Whoever occupies a territory also imposes on it his own social system. Everyone imposes his own system as far as his army can reach," Stalin said that in 1945. It explains why Europe has been divided ever since. It is the reason the Soviet Union reacts so violently when "Yalta" is challenged — "Yalta" being shorthand for Europe's division.

French President Francois Mitterrand said in his New Year's message, "Anything which would permit us to escape from Yalta would be good, on condition that we never confuse our wishes with the reality of the present day." For that, he got a jeering response from the Soviet press — suggesting, in its very violence, uneasiness that President Mitterrand's comment might be true.

The Yalta system is the foundation of Soviet European policy, which finds itself at an impasse. It is difficult for Russians to concede this because Stalin's policy expressed a much older Russian expectation that safety would lie in the domination of the East European states. If an East European system rested upon shared interests and consent, it could be secure. The present system relies, of course, upon force and repression, and therefore has proven a source of risk and insecurity.

Yalta is a symbol, not the real cause of Europe's division. The war had already divided Europe, before Stalin, Winston Churchill, and Franklin Roosevelt met on the Black Sea in 1945. Only Poland was discussed at Yalta. The issue was which government to install in Warsaw: the London exiles, to whom the underground Home Army and the Polish Legion serving with the British Army were loyal, or the so-called Lublin Committee, of Communists, which had entered Poland in the train of the Red Army. The Allies decided that the Lublin group would take in some non-Communists, and that free elections would be held. The elections did take place in 1947, after large-scale arrests of non-Communists, including 135 opposition parliamentary candidates, and a purge of the election lists.

After the Fact

The divisions of the Balkans had been ratified four months before Yalta, when Churchill met Stalin in Moscow in October 1944. The Soviet Army was in Romania and Bulgaria, the British in Greece. Churchill, on percentages on a half-sheet of paper — in Romania, 90 percent Russian influence; 10 percent for "the others." In Greece the reverse. In Yugoslavia and Hungary, "50-50 percent." In Bulgaria, 75 percent to Russia. Stalin took the paper, paused, then "took his blue pencil and made a large tick upon it." Churchill's account goes on: "At length

I said, 'Might it not be thought rather cynical if it seemed we had disposed of these issues, so fateful to millions of people, in such an offhand manner? Let us burn the paper.' 'No, you keep it,' said Stalin."

This, too, was after the fact. Britain was in no position to expel the Soviet Union from the Balkans, and the United States at the time would not have imagined doing so. U.S. diplomacy remained suspicious of British intentions and indulgent towards Russian. The recurrent sentiment in the U.S. records during 1944 is that the United States "will not pull Britain's chestnuts out of the fire."

It was another three years before the United States began seriously to contest what the Soviet Union was doing in Eastern Europe. By then it was much too late. Moscow was not only in possession, but the non-Communist forces in the area had been maimed, their leaders sent to camps, or in exile, or dead. The West eventually conceded the contest by allowing the East Berlin rising of 1953 and the Hungarian revolution of 1956 to be crushed. Nothing has changed since in Western policy. The sanctions that President Reagan imposed upon Russia and Poland in December are, regrettably, empty gestures, changing nothing.

The future choice is simple. Either "Yalta" is reversed, or the West goes on practicing an effective complicity in Europe's division, tolerating the dictatorships that exist in the East, and the consequent dangers. There are two ways by which Yalta might be undone: the peaceful way, and by war. It obviously will not be done by war, short of some immense catastrophe brought about against the will of the West.

That leaves the peaceful way — to convince the Soviet Union that its occupation of Eastern Europe produces insecurity and trouble for Russia, and that a better solution can be found. Stalin himself described that solution to Churchill, at Yalta. He said that Poland in the past had been the corridor through which Russia's enemies repeatedly had attacked her. The corridor had to be closed, Stalin said, by Poland, "of her own strength." For that reason, he went on, "Poland must be free, independent, and powerful."

If only Stalin had believed in the plain meaning of his own words, the Soviet Union's western borders today would be secure, not insecure. Poland would be at peace with itself. Yalta would be a term of approbation rather than of reproach. Stalin's successors must have this said to them by the Western governments, and repeated again and again. The safety of both East and West depends upon a European security system that rests upon consent. Without consent, nothing is settled, nothing is final, nothing secure.

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And the Danger of Forgetting

By George F. Kennan

George F. Kennan, historian and former ambassador to the Soviet Union, is professor emeritus at the Institute for Advanced Study at Princeton University. He wrote this article for The New York Times.

PRINCETON, N.J. — The sanctions imposed on the Soviet Union by the Reagan administration are, unfortunately, marked by an extreme vagueness about what the Soviet regime is expected to do to bring about their removal.

One is reluctant to believe that what is wanted is that Moscow should order the government in Warsaw to undo what has been done since Dec. 13 and to restore the status quo ante, because such exertion of authority by Moscow over Warsaw is precisely what we profess to deplore.

One can only assume that what is wanted is that the Soviet government should take a detached attitude toward events in Poland and permit the situation there to find its own level, whatever the consequences for Poland's form of government or that country's international position.

This, however, would be a drastic demand. It would reach to the very foundation of the de facto division of Europe that has existed since World War II. This division itself was a product of the war.

It was Nazi military success that first destroyed the prewar status quo of Eastern Europe. Then it was the Nazis' military failure that, to the applause of the Western Allies, drew Soviet military and political power into the resulting vacuum and established it there, where it has remained ever since. And it was the memory of the grievous injury done the Soviet Union by the Germans while they were fighting in that country that caused the So-

viet regime to consider it vital to its security to retain ultimate control over at least the eastern third of Germany and all intervening territory to ensure that Russia would not again be confronted by a rearmed and united Germany, possibly allied — this time — with the United States.

This, in essence, was the origin of the Soviet Union's interest in Poland as we have known it over these past 35 years.

To date, the Soviet Union has not intervened with its own military forces. It was not the unending series of high-level warnings from Washington that motivated this restraint.

One may assume that the only development that could drive the Russians to so drastic a step would be further degeneration of the Polish situation to a point where they saw their entire military and political hegemony in Eastern and Central Europe, including eastern Germany, being undermined, to the great detriment of their prestige and possibly of the internal stability of the Soviet Union itself. If they saw this happening, there is no telling what they would do.

If we really wanted to avert these and other dangers of an over-anxious Soviet interest in the Polish political scene, then we must be willing to address ourselves to the Kremlin's basic strategic stake in the Eastern and Central European region. To do this, we would have to be prepared to re-examine the very terms on which the division of the Continent has operated over the past 35 years.

This would mean, at the outset, soundings and discussions to ascertain just what assurances Moscow would require and what safeguards would have to be provided to compensate for the loss of

Some Signs of Hope For Indian Economy

By Jonathan Power

NEW DELHI — India has approximately the same population as the continents of Africa and South America combined. If the Indian economy can be sorted out, then the whole complexion of the developing world will be changed. If India — the world's 15th poorest country and the second most populated — progresses, the Third World will change its spots. And that, in fact, looks as if it might be happening.

The emphasis must still be on the night. India has had short periods of rapid economic progress before, only to see it melt into the hands of bureaucracy, inefficiency and protectionism. Moreover, like so many developing countries, while weathering the first world oil price rise in 1974, it has found the second one that followed on the heels of the Iranian revolution much more difficult to swallow.

Not only has it a very serious balance of payments problem that its new-found self-sufficiency in food makes hardly a dent in, but markets in the industrialized world are contracting just when India is mentally preparing to engage in a major export drive.

Watersheds

If the "might be" becomes "is" and India does begin its economic takeoff, historians looking back will probably mark two watersheds. One will be the massive \$5.7-billion loan from the International Monetary Fund, that was approved toward the end of last year. The second will be the growing success of the Green Revolution, which made it possible for India to get away without importing grain even when the monsoon badly failed in 1979-80.

India's agriculture has been steadily improving for 30 years. During the last 50 years of the British Raj, food production increased by only 0.3 percent a year, but since 1950 it has increased at 3 percent a year. At first the increase came from putting more land under the plow. Since the mid-1960s it has come from higher productivity, not least the Green Revolution — the use of new seeds together with large doses of irrigation, fertilizer and pesticides.

The majority of observers feel that India's agricultural progress is here to stay, although at the moment its dramatic leap forward is confined primarily to one small state, Punjab. The rest of India has been slow to imitate Punjab, although there are healthy signs that the continuous priority that the government has paid to agricultural research and education is beginning to pay off. Uttar Pradesh, West Bengal and Orissa, all highly populated states, are beginning to follow Punjab's example.

The social problems that the Green Revolution brought appear to be falling into place. At first it was the wealthier and better educated farmers who adopted the new technology. They began to buy out or push aside the small

farmers. Today, small farmers are better organized, less beholden to the money lenders and to corrupt marketing systems, and more able to hold their own.

Future progress will depend on a massive extension of irrigation, credit, technical advice, the introduction of seeds that can make do with less moisture, and, not least, land reform, the nettles that successive Indian prime ministers have failed to grasp.

Redistribution will not mean hopelessly small farms. Surplus land is there for the taking if only the government would brave the storm. Without it, population growth will push up the number of the landless faster than the agricultural economy can absorb them into productive jobs.

Agriculture's success only serves to highlight industry's failure — which brings us to the IMF loan. The economic reforms introduced by India, the necessary prelude to such a large loan, if they really are the beginning of a quantum unwinding on India's reels of red tape, could usher in a new era of industrial growth.

For years the industrial growth rate has been slowing. The cities have not been able to absorb a significant slice of India's growing population. India has made nearly every mistake in the book: It has been capital intensive, coaxed by protectionist barriers, over-regulated and hostile to the competition of outside capitalists who might wish to invest. Other Asian industrial economies — such as Malaysia or South Korea, whose policies are the reverse of these — have boomed while India has slumped.

Full Swing

Fortunately, over the last five years the message has begun to percolate through. The liberalization of the economy begun in the last year of Indira Gandhi's emergency rule and continued under the government of Morarji Desai now seems to be in full swing, thanks to the IMF loan.

Import barriers are being lowered, subsidies are being reduced and the private sector is being effectively encouraged. At the same time Mrs. Gandhi's government has been taking aim at some of India's long-standing bottlenecks — electric power, shortages, and inefficient railways and ports.

Already this is producing dividends. Industrial growth is estimated to have increased by 8 percent last year, compared with the previous year's rate. The cynics say this new air of realism could be blown away with the next monsoon — that the traditional vested interests of the bureaucracy will reassert themselves, especially if, because of the world recession, export markets do not open up. It would be nice to think they are wrong.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

Letters

Inconvenience

On the Polish question, William F. Buckley Jr. writes (JHT, Dec. 23): "What have we got, this side of atom bombs? Well, we have an affinity for human rights" — as if it were another William F. Buckley Jr. who only weeks ago was attacking the integrity of Jacobo Timerman for exposing the junta's atrocities in Argentina. Buckley tried in fact to use Simon Wiesenthal to discredit Timerman, until Wiesenthal exposed Buckley's maneuver. What John Leonard wrote about it bears repeating: "Buckley (and Irving Kristol) were just as inconvenienced by Timerman as Jean-Paul Sartre and Simone de Beauvoir were inconvenienced by Andre Gide or Arthur Koestler or Albert Camus."

Next Mr. Buckley, the rape of Poland by the Polish Pinocchio is not for you to handle. You belong with Brezhnev in the camp of one-sided concern. There is only one force that makes the Soviet Union squirm, and it is made up of those whose opposition to right-wing tyranny is unequivocal.

DAVID WINGATE PIKE.

Travel Goblins

I much enjoyed reading Drew Middleton's article "The Ghosts of Travel's Past" (JHT Dec. 28), especially as I traveled from London to Paris on the night of Dec. 27-28 under very different circumstances.

During the day, train and hovercraft or boat travel between the two cities is pleasant; at night the ghosts of long-dead trains reappear, to remind unfortunate travelers of early 19th-century conditions. I cannot complain of overcrowding on this particular night, for this seemed to be the only service offered on Dec. 27 from London — the many passengers were inserted into filthy and worn-out rolling stock on both sides of the Channel, and had to join the ship along an endless corridor which took over an hour to traverse.

There were no through car-

riages, and no officials to quiet painfully loud songs in a restricted space. The boat reached Dunkirk at 3 a.m. French time. A trait appeared after a wait of about half an hour, but did not leave till 5 a.m. Exhausted travelers finally reached Paris at 8.45.

In the name of what economy is this hideous inconvenience inflicted upon those who could formerly enter a railway carriage in London and leave it in Paris, or vice versa? They can still do this between Paris and Stockholm, with three separate ferry crossings. And why does this journey take 12 hours, via Dunkirk, rather than seven via Calais or Boulogne?

ROSALIND MAZZAWL.

Paris.

New Management

It is worth pausing to take note that the United Nations enters 1982 under new management. The election of Javier Perez de Cuellar of Peru as secretary-general, breaking the deadlock vote, provided encouraging evidence that the international community was not disposed to allow the UN to remain rudderless.

Can it be that, having scraped rock bottom, the UN under fresh leadership will now begin the long haul upward? Let us make that assumption and accelerate the process by reaffirming our faith in the organization.

JULIAN BEHRSTOCK.

Paris.

Polish Connection?

Philip Geyelin, in "Experts' options for Poland: Grim, Grimmer or Grimmer?" (JHT Dec. 22) states: "It is Petrov's view that Solidarity had been disintegrating all through the slow takeover of militants who were forcing Walesa's hand."

Is it not possible that the so-called "militant" was, rather, stronger connection to the government than either Solidarity or Walesa might imagine?

DAVID NORRIS-SMITH.

Coburg, West Germany.

China Looks to New Enterprises to Ease Unemployment Among Urban Youths

By Christopher S. Wren
New York Times Service

SHANGHAI — If there is enough for her to do, Sun Fang goes each weekday to a small backroom workshop to sit with other young women around a cramped table assembling plastic toy automobiles under the harsh glare of a fluorescent light.

The pay of \$35 a month is decent by Chinese standards. But the work is tedious and, worse, it is temporary for Miss Sun, a 23-year-old who has been unable to find a permanent job since leaving school in 1976.

Miss Sun was supposed to join more than 1 million other young people from Shanghai who were sent to work in the countryside during the Cultural Revolution, but her parents did not want her to go. Those young people who were allowed to return got first priority in employment. Now the emphasis has shifted to those who have left school since 1978, so Miss Sun has been overlooked.

"Whether she gets something depends on the future of her country," said Zhang Minheng, an official of the neighborhood committee of Yuyuan, where Miss Sun's family lives.

The youth employment problems of Yuyuan, a densely populated neighborhood in cen-

tral Shanghai, are typical of those in most Chinese cities today. According to the Liberation Daily newspaper, Shanghai, China's largest city with an estimated population of at least 10 million, has found jobs for nearly 1.2 million young people in the past five years.

But even with its work force swollen to about 4.5 million, Shanghai still has an estimated 150,000 young people waiting for employment.

Although the government in Peking has reported that 29 million Chinese have found jobs since 1977, providing work for everyone has proved virtually impossible. Last month, in a major change of policy, the government issued a directive advising the people that it no longer guaranteed them a job and encouraging more of them to create private businesses.

But most young Chinese have grown up anticipating the security of a state or collective job where they would receive a living wage no matter how poorly or erratically they performed. The prospect of tending for themselves without tenure, medical insurance or an eventual pension is frightening, not least because private enterprise was still officially disparaged a few years ago as "the tail of capitalism."

"Today among young people, there is a mistaken notion that a job in a state or collective

enterprise is like having an iron rice bowl," said Mr. Zhang. "They still prefer this, so it is a hard situation for the neighborhood committee to resolve. Young people like Miss Sun don't consider that they have a job if they don't have the iron rice bowl."

Miss Sun said, "Of course I would like to work in the older enterprises, but it isn't possible."

China's universities and higher technical schools can accommodate only 1 in 25 young Chinese people, so the rest are thrown into the job market once they leave school. Economic planners tend to feel that there will never be enough work for them unless more new kinds of jobs are created.

Advantages Cited

The government's drive to orient economic production away from conventional heavy industry and toward light industry is intended to raise living standards by providing more and better consumer goods, but it could also improve urban job prospects, according to some economists.

The People's Daily newspaper estimated last month that for every 1 million yuan (about \$380,000) in fixed assets, a light industrial enterprise could absorb 257 workers, while a heavy industrial one could absorb only 94.

Commercial and service trades, which are comparatively underused in China, could accommodate 800 to 1,000 workers for every 1 million yuan invested, People's Daily reported.

China's urban employment problems were exacerbated by the chaos of the Cultural Revolution, when 1.1 million youths from Shanghai alone were sent off to work in rural areas. About 415,000 of these were officially allowed to return to Shanghai, according to Mr. Zhang. Because they were older and more militant, the municipality tried to placate them by offering them the first jobs that became available.

Even so, Shanghai, like other Chinese cities, has experienced a rise in crime and other ills often attributed to the frustrations of unemployment. Thousands of Shanghai youths who came home illegally from the countryside were persuaded to return to the remote provinces of Xinjiang in the west and Heilongjiang in the northeast after Shanghai authorities denied them housing and food coupons as well as jobs. Others are believed to be still hiding in the city, unwilling to go back to the harsher rural life.

The employment situation in Yuyuan, a neighborhood with 12,000 households, was described by Mr. Zhang as "about average" for Shanghai. Since 1978, he said, 2,687 of 3,002 jobless young people — including 1,531 al-

lowed back from the countryside — have found work. Of those who are employed by state and collectively run enterprises, 283 inherited blue-collar jobs from their retiring parents, a common practice in China.

Local Effort

The neighborhood committee, which is the lowest unit of local government, has set up garment workshops to provide employment for 40 young people. Others have found temporary jobs assembling toys or making paper bags for fruit.

Five neighborhood youths have opened their own businesses, such as bicycle repairing and tailoring. Last October, Shanghai's deputy mayor, Pei Xianbai, urged that more unemployed young people start businesses to provide services that the city needed. Mr. Pei promised that the city would help work out voluntary plans for welfare insurance and pensions. The Chinese news agency said that there were now 12,800 private businessmen in Shanghai — far fewer than the 100,000 in 1957 — but that only 4 percent of them were young people.

School leavers generally spend at least a year before finding work, and even with a temporary job the wait can be discouraging. Ling Liande, who finished high school in 1980, said

that he earned about \$33 a month by rising at 5 a.m. to deliver newspapers for three hours a day. He said, "I'm fond of calligraphy so I practice every day, because I want to get a job in which my calligraphy is used."

One factor daunting young Chinese is that once they get a steady job they are normally not allowed to change if they do not like it. Mr. Zhang cited the case of a neighborhood youth who decided to become a street cleaner but changed his mind when the post was offered to him. The young man had to wait another two years before his father retired and passed on his own job.

Local Output Increases

SHANGHAI (Reuters) — Shanghai accounted for nearly 13 percent of national production and more than a quarter of the country's exports last year, the Chinese news agency reported.

Industrial output rose 3.2 percent to 64.7 billion yuan (\$37 billion), exceeding the official target of 3 percent, while exports rose 15 percent to 8.5 billion yuan.

Shanghai's revenues rose 3.1 percent to about \$10 billion, a major portion of the country's total income, the agency said.

Constitution Writers In Turkey Debating Presidential Powers

By Marvin Howe
New York Times Service

ANKARA — A consultative assembly that is working on a constitution for Turkey is reported to be debating how powerful the president should be.

Sources close to the assembly say there is agreement on having a parliament. At issue, they say, is whether the president should be a strong one, on the French model, or should have only somewhat greater powers than the largely figurehead one Turkey had before the military coup of Sept. 12, 1980.

The military rulers of the National Security Council, however, will have the final say on the constitution before it is submitted to a referendum. Military leaders and some businessmen are reported to favor a strong presidency selected by direct popular election in a two-party political system.

Gen. Kenan Evren, the military head of state, announced in his New Year's message that the timetable for the return to democracy depended on how quickly the assembly completed its work. If a draft constitution were ready by the end of the summer, he said, an election could be held by the spring of 1983.

The chairman of the assembly's Constitutional Commission, Orhan Aldikacti, said he did not know when the constitution would be ready but pledged that his group would work "as fast as humanly possible."

Intellectuals Voice Concern

Meanwhile, intellectuals are expressing their concern over major legislation being drafted by the military government.

A professor said the other day that in most countries a constitution comes first and laws are then passed in accordance with it. But, he said, Turkey seems "to be witnessing the reverse."

The military has adopted laws changing the university system and revising the appointment of judges, and the commission apparently will have to consider those measures in drafting the constitution.

This week, Minister of Justice Cevdet Metin announced that laws increasing penalties for crimes against the state had been submitted to the consultative assembly.

sembly. The present criminal code provides for a maximum of 15 years prison for "attempting to overthrow the social or economic order of the state."

Outside Views

The justice minister said the new bill, which is aimed at the outlawed Communist Party, had been prepared because "present punishments are not severe enough to meet the needs of the day." He did not specify how severe they should be.

The assembly is seeking the views of 50 organizations around the country on what form the constitution should take.

Mr. Aldikacti announced last month that his group would consult the former political parties disbanded by the junta "if necessary." Such consultations, however, have not occurred.

French System

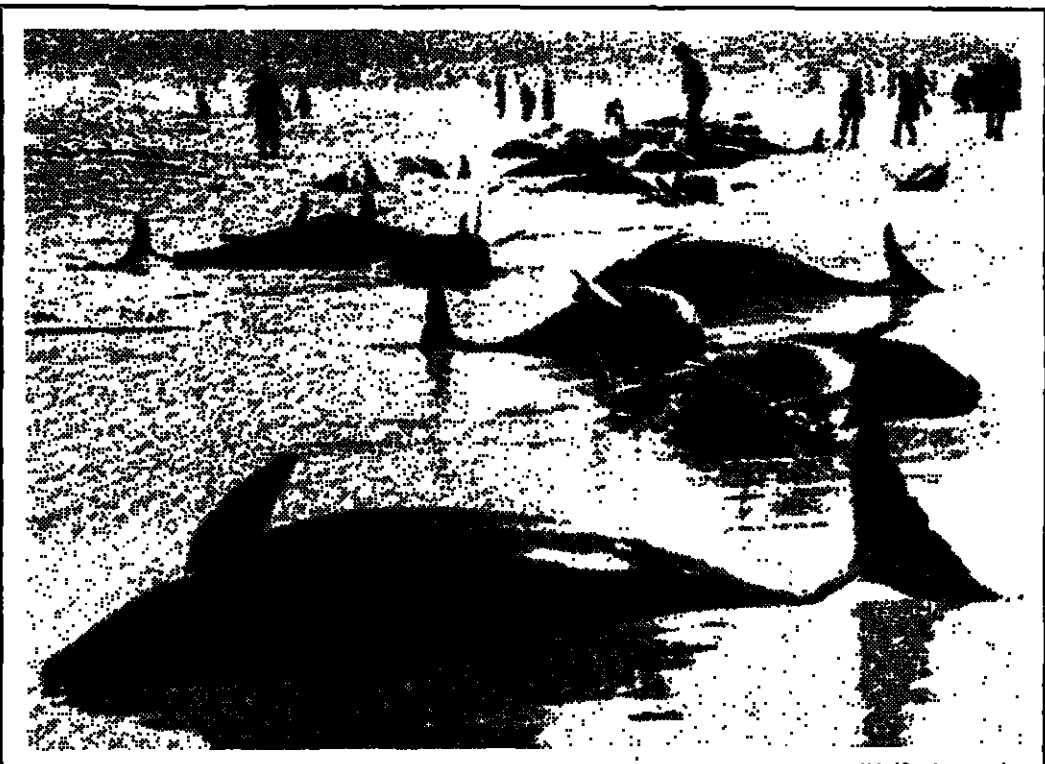
His offer was widely applauded by the Turkish press, but it provoked a strong rebuttal from an assembly member, Ertugrul Alati, who appeared to be speaking for the military rulers.

"We have nothing to learn from these people," he declared. He also accused Mr. Aldikacti of violating his secrecy and called for an investigation.

Fuat Agur, another assembly member, who is believed to reflect the thinking of key military leaders, said a few days ago that the new constitution should set up a "presidential system close to that in France" and a one-chamber parliament.

He also suggested that what he called a national council or a republican council be set up under the head of state and consist of the members of the junta, the armed forces commanders and chief of general staff, the premier and the leader of the opposition. He proposed that the decisions of such a council be binding.

However, 23 members of Ankara University's political science and law departments, which were influential in drafting the 1960 constitution, opposed a strong president and favored a parliamentary system with a largely figurehead chief of state. They reported their views to the consultative assembly.



DOLPHINS STRANDED — About 150 dolphins beached themselves on the Japanese island of Kyushu. Although volunteers pushed many back into the sea, high waves Thursday returned most of the weakened animals to the beach. Authorities said 122 dolphins died.

Father of Missing Man Again Accuses Marcos

New York Times Service

MANILA. The mystery surrounding the disappearance of a prominent athlete after dining with a daughter of President Ferdinand E. Marcos has entered its second week, with the father of the missing man again accusing the Philippine leader of involvement.

Ricardo Manotoc, a Manila real estate agent, has repeated charges that his 32-year-old son, Tommy, was "possibly being held captive" for having secretly married Imee Marcos, 26, in the United States in December, after divorcing his first wife in the Dominican Republic in October.

The father's charge, made in an interview on Tuesday, followed a statement by Mr. Marcos over the weekend that Tommy Manotoc presented no problem to the presidential family since he was still the husband of Aurora Pijuan, a former international beauty contest winner whom he married in 1971. Divorces are not recognized in this predominantly Roman Catholic country.

Mr. Marcos denounced the "dis-

turbing statements" made by the Manotoc family "insinuating the involvement of the president and his family in the case." Declaring that government intelligence sources had determined that Tommy Manotoc had been kidnapped by subversives, the president announced that he had ordered all Philippine military commands to undertake a full-scale search.

Tommy Manotoc, a leading amateur golfer and professional basketball coach, was last seen on Dec. 29, dining with Miss Marcos at a Manila restaurant.

Marcos Family Blamed

His parents immediately blamed the Marcos family for the disappearance, saying the president and his wife had opposed the marriage of their daughter, a former Princeton University student, to Tommy Manotoc in a civil ceremony at Arlington, Va., on Dec. 4. The marriage records there show that he obtained a divorce from his first wife in the Dominican Republic on Oct. 27.

The initial statements by the

Manotoc family were denied on Jan. 1 by a presidential spokesman who said there had been no marriage, no opposition by Mr. and Mrs. Marcos to the couple's relationship and no government involvement in Mr. Manotoc's disappearance.

Government investigators subsequently charged in statements to local reporters that the disappearance could be a plot to embarrass the Marcos government.

They said the missing man's mother was related through marriage to two Philippine opposition leaders now in the United States. The exiles are Raul S. Manglapus, a former foreign minister who heads the Movement for a Free Philippines, and Eugenio Lopez Jr., a former newspaper publisher who had been accused of plotting to assassinate Mr. Marcos.

Since Tommy Manotoc disappeared, his family has received one note and two telephone calls from persons identifying themselves as the kidnappers. The second call came Tuesday, and Ricardo Manotoc said that like the other

Captors Issue Account Of Gen. Dozier's 'Trial'

Reuters

ROME — Investigators searching for kidnapped U.S. Army Brig. Gen. James H. Dozier said Thursday that they were carefully examining the transcript of an alleged interrogation of the NATO officer issued by his Red Brigades captors.

The four-page transcript in Italian of his "proletarian trial" was found Wednesday night with the third communiqué the group has issued since it abducted him from his home in Verona Dec. 17.

In the document, a terrorist interrogator questions the 50-year-old general about his military career up to his posting to the NATO Southern Command, in Verona, where he is the senior U.S. officer.

No Direct Demands

"The first phase of the interrogation of the Yankee pig Dozier has exposed his personal responsibilities in his long career as a butcher," the purported transcript began.

The terrorist group made no direct demands in exchange for the general's release, nor did it openly threaten him with death. Police

sources said that they considered the communiqué to be authentic, and a NATO spokesman in Verona said that he thought that the general's interrogation was genuine.

"Certain details of Gen. Dozier's career were known only by him. Therefore, there shouldn't be any doubts about the authenticity of the document," the NATO spokesman, Col. Luciano dal Ceglio, said.

Police said that they had searched for the general's body in a remote area of central Italy Wednesday night after receiving a series of anonymous calls claiming that it had been dumped there. They said that the claims appeared to be aimed at throwing them off the track.

"Do you know what the Red Brigades are?" was the first question asked of Gen. Dozier according to the transcript. "Yes, a guerrilla group. But before my capture, I thought they were just an Italian problem. Now I understand that it's different," was his purported reply.

The terrorist interrogator explained at length to the general, who is deputy chief of staff for logistics and administration at the Verona NATO headquarters, why he had been selected as a target.

"Through you, we place on trial the structure of military occupation, NATO, and America's imperialist policy toward the Italian proletariat," he said, according to the transcript.

In another passage of the alleged interrogation, Gen. Dozier confirmed that U.S. officers had been warned of possible terrorist attacks against them in Italy.

The general's captors warned that they would "take note" that he continued to defend imperialism, hinting that their "trial" would end in a guilty verdict.

"For us, his collaboration [in the alleged interrogation] is not 'repentance,' but the result of a changed power-relationship," the document said.

The communiqué left in Rome was found after a telephone tip-off to a newspaper by a caller who claimed that the Red Brigades had wounded the deputy chief of Rome's anti-terrorist squad earlier Wednesday.

Nicola Simone, 41, was wounded when he opened the door of his apartment. Doctors said his condition was satisfactory and that he was out of immediate danger.

France Sets Guidelines For Prices

Reuters

PARIS — The government has launched a program of price guidelines for retail goods and services to help persuade unions to accept lower wage settlements and break the inflationary race between prices and salaries.

Outlining his strategy at a Cabinet meeting Wednesday, Finance Minister Jacques Delors said the plan would bring inflation down from an annual rate of 12 percent in the last quarter of 1981 to a rate of 10 percent at the end of this year.

Retail prices rose an estimated 14 percent in France in the whole of 1981, well above the rate for West Germany and other major competitors.

Under the program, service industries will be released from a six-month price freeze imposed in October provided they promise to moderate increases in their charges to around 10 percent for the year. Last year their charges rose 16 percent.

Sections of the hotel and catering industries, car repairers and laundries have already signed agreements. Stores are being asked to hold prices steady on 24 categories of articles such as jeans, sugar and refrigerators for three months.

Food Poisoning Kills 4 At U.S. Nursing Home

New York Times Service

CLARKSBORO, N.J. — Four residents of a nursing home here died and 77 residents and staff members became ill as a result of food poisoning apparently caused by egg nog served on Christmas Eve, according to health officials.

A state Health Department spokesman said Wednesday that tests had found that the victims had ingested salmonella bacteria. A county official said the bacteria may have come from raw eggs used in the egg nog. The cause of death of a fifth resident of the home has not been determined, officials said.

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Senegal Goes Its Own Way With a Multiparty Democracy

By Thomas Kamm
International Herald Tribune

DAKAR, Senegal — On a continent where military or one-party rule is prevalent and democracy has been described as a "luxurious pastime" that Africa could not afford, Senegal has adopted a multiparty political system that has made it one of the region's liveliest democracies.

In doing so, Senegal is running counter to a trend toward authoritarianism in West Africa that began in 1979 in Liberia and Upper Volta, where military coups deposed multiparty systems. Another coup occurred last week when Jerry J. Rawlings overthrew the elected government of President Hilla Limann in Ghana and banned political parties.

Since President Abdou Diouf announced last April the legalization of all parties except those that identified with an ethnic group, a religion, a race, a region or a sex, 11 parties ranging from conservative to Communist have been officially recognized and at least two more are awaiting authorization. Senegal already had a multipar-

ty system under President Leopold Senghor, who resigned in December, but only four parties were authorized. They were required to embrace specific ideologies defined by Mr. Senghor.

Opposition View

While they hail the establishment of an unlimited multiparty system as "a victory for democratic forces," leaders of the existing parties said the legalization was a cynical move by the government to divide the opposition and consolidate the ruling Socialist Party's hold on power while giving it a democratic image abroad.

The government says it is motivated by more generous intentions. "The multiparty system is for us an irreversible phenomenon," Mr. Diouf said in a recent interview. "Our will is that the Senegalese people be able to express diverse opinions within the framework of legally constituted parties."

Paradoxically, Western diplomats say the legalization of political parties has quieted, if not silenced, the opposition. By granting

the parties the legal status that they had long been seeking and acting on some of their main demands, Mr. Diouf has "cut the ground from under the opposition's feet," a French diplomat said.

"He knew that he was going to have to take unpopular economic measures, so he had to secure the opposition's assent," the diplomat said. "He played the political truce against economic measures."

Elections in 1983

Elections are not scheduled until 1983, and political analysts say they could not yet assess the strength of the Senegalese parties. But diplomats said that, rather than strengthening the opposition, the Socialist Party's hold on power had been consolidated by this "divide-and-rule" tactic.

"The Socialist Party is strong enough to dominate in the foreseeable future," a Western diplomat said. None of the parties appears able to match the Socialists and only three of them are led by politicians of national stature, diplomats say.

The Parti Démocratique Sénégalais, which has a strong following in rural areas, is a non-Marxist leftist party that says it wants to reduce the "crippling social inequalities" and make Senegal truly independent.

"We want the decision center to be Dakar and not Paris," said Fara N'Diaye, the national coordinator, referring to France's preponderant role in the economy.

On paper, the PDS is the largest opposition party, with 14 deputies in the 100-seat National Assembly. But it has been losing ground since the government accused it in September of sending members to Libya for "training in the handling of explosives," and of importing arms from Libya. A number of militants have been arrested, and four deputies have left the party.

Nationalist Party

Another party, the highly nationalistic Rassemblement National Démocratique, has called for a complete change in the country's economic structure, which it says is dominated by France. However, there is some speculation that a wing of the party may join the So-

cialist Party if it feels it is moving in the right direction.

The Mouvement Démocratique Populaire, which believes in Socialist self-management based on the traditional African sense of community, is headed by Mamadou Dia, Mr. Senghor's vice president during Senegal's first two years of independence. Accused of involvement in a plot to overthrow Mr. Senghor in 1962, he was imprisoned for 12 years.

"The government is Socialist only in name," he said in an interview. "We have turned our backs on Socialism since 1962." He denounced Senegal's "neo-colonial" situation and called for the withdrawal of French troops.

The influence of the remaining parties is viewed by diplomats and politicians as minimal.

While most of the parties are in agreement on many issues, they are divided mostly by "personal quarrels," according to a French diplomat. However, they all see the need for an alliance. "If the opposition wants to have an impact, it will be obliged to constitute a bloc to face the ruling party," said Mr. N'Diaye.

Executed Baha'is Were Spies, Iran's Chief Justice Says

Reuters

LONDON Chief Justice Musavi Ardebili confirmed Thursday the execution last month of eight leaders of the Baha'i religion in Iran, but he said they had been convicted of spying.

Commenting on allegations by exiled members of the faith in the West that the leaders had been killed because of their religious beliefs, Ayatollah Ardebili said, "No body in Iran is executed for his religion or beliefs. These people had been found guilty of spying for foreign countries."

Dozens of Baha'is have been executed since the revolution, convicted mainly of spying for Israel.

The Islamic regime has asked government employees to state their religion, to move some Iranians said is aimed at removing members of Baha'is from their jobs. "If somebody gave false information concerning his religious background, he would risk the danger of being identified and executed," a civil servant contacted from London said.

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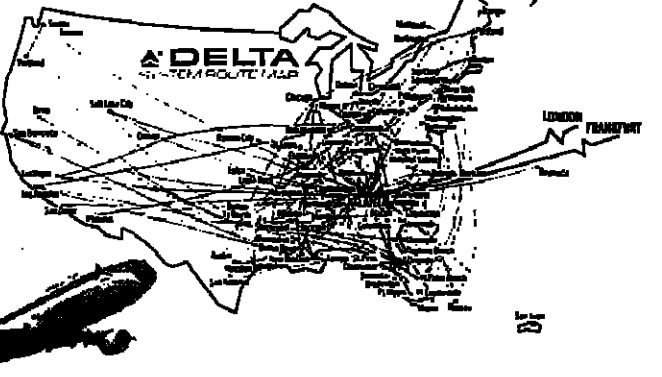
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Noting the Effects of Music on the Body

"Sometimes she thought music that she especially liked was a drug for her, magic and unreal, and yet necessary." — Patricia Highsmith, "Edith's Diary"

By Michael Zwerin

BILLY BERCLAU, France — The soothing effect of music is well known. David's harp calmed King Solomon's nervous depression. Bach wrote the Goldberg Variations to overcome Count Keyserling's insomnia.

Dr. Patrick L'Echevin, a surgeon with a musical bent, argues in his recently published book "Musique et Médecine" (Stock) that music and medicine have always been and will continue to be indispensable to each other, and that music is more intense than other arts.

"The ear is more intense than the eye," said L'Echevin in an interview in this northern French village. "Sound is the first thing to touch the individual. Babies already hear inside the womb, but they wait a month after birth to see light."

L'Echevin, an intestinal surgeon, lives in a house powered by geothermal energy. He practices the double bass when he has the time and he listens to Scarlatti and Vivaldi when operating in the University Hospital Center in nearby Lille. He does not want that to seem pejorative, as he loves both of those composers, but he said, "They can be listened to on two levels, intellectually or physically."

'Arm of Magic'

Music was not always an art, he pointed out. "It began as an arm of magic. It served religious, social and medical functions. Primitive man tapped his thighs or logs to imitate the heartbeat. Music accompanied all of life's ceremonies and sorcery, chanting incantations to heal the sick." Hindu philosophers thought

music and medicine derived from the same inspiration. In Greek mythology, they came from the same God — Apollo. Euripides said: "Patient, come back to health, there are magic chants to help you." Plato held that man's entire life is dominated by harmony and rhythm. Five centuries ago, Jean Tindoris wrote: "The object of music is to charm God, chase the devil, heal the sick and provoke love."

Effect on Body

L'Echevin, 32, has been studying orchestra conducting at the Lille Conservatory for six years, since he became a surgeon. His book grew out of his doctoral thesis. He says that in ancient times, knowledge of chants was as important for doctors as usage of herbs and roots. He lists many famous men who were both doctors and musicians, including Franz Anton Mesmer and Albert Schweitzer.

The book stresses the effect music has on the body, both negative and positive. Two doctors making a study found that 52 percent of patients who were given symphony orchestra had nervous problems and 22 percent insomnia. Three conductors died while conducting Wagner's "Tristan und Isolde." The percentage of drug use among jazz and rock musicians is unusually high.

"H.B.," a Swiss pop musician who was the victim of a cerebral hemorrhage, could not write, repeat verbal phrases, nor understand the simplest order. Yet all his musical functions remained intact. He continued to play piano professionally, took musical dictation, read music, learned new songs. L'Echevin concludes that there "must be a separate musical language center in the brain."

In the 1950s, the intimate relationship between music and medicine gave birth to a branch of



Dr. L'Echevin: More music.

science known as "musical therapy." Application began in the United States in the 1960s and spread out internationally in the 1970s.

An experiment was made in a Japanese factory involving 120 working mothers who were nursing. They were divided into groups, the first listening to Western classical music, the second to jazz and pop; some through carphones, some via speakers. The group listening to classical music through speakers was found to have a lactation increase of 20 percent, 100 percent with carphones. Lactation in the second group went down by 20 percent and 50 percent respectively. L'Echevin attributes this to the "disturbing effect of syncope."

The experiment used Western music. L'Echevin wondered what would have happened with Japanese folk music. "To be useful, therapy should involve music

that corresponds to the individual's roots," he said. "In Yugoslavia there is a successful alcoholic disinhibition program using Yugoslav folk music. That's what's so wonderful about music; it puts us in contact with our roots."

Calm Cancer Patients

Elderly cancer patients have been found to be more comfortable in nursing homes that have musical therapy programs. Music can also help calm the pain of terminal cancer patients.

"Perhaps the most potentially important use of musical therapy," added L'Echevin, "is with mental patients. Thanks to music we have sometimes been able to regain contact with autistic, to rekindle the brain as it were. Music is the starter."

In "active therapy," the patient plays an instrument, usually a simple one such as a metal block hit with a hammer. The therapist starts by making a sound, the patient answers and a dialogue is created where none has been possible either verbally, visually (through drawing and so on) or through corporal motions.

"Brazilian musical therapy specializes in childbirth, Anglo-Saxon with paranoia and schizophrenia, the French with sexual problems like premature ejaculation," said L'Echevin. "It's not a cure-all, musical therapy cannot cure tuberculosis or catarses, but it is definitely a science with a future."

"With recordings and radios we hear much more music now than, say, in Bach's time. We need more music now. It is possible that music replaces the religious faith we have lost. If we seem to have need for more and more music, that is because it fills a hole in our spiritual life. Music is becoming a religion in itself."

Home Computer-Teaching Still in Kindergarten

By Lawrence Feinberg

WASHINGTON — While still limping into classrooms after more than a decade, computers for teaching have burst into homes.

A total of 18 million units, marketed as educational electronic games or computer learning aids, were sold to consumers during 1979 and 1980, according to industry estimates. Retailers say sales have continued to grow this year as children are drawn to the computers' disembodied voices, quick answers and flashing lights, and parents buy them in hopes of boosting the youngsters' academic skills.

Outside Support

Although the small computers' fascination is clear, their value for learning is uncertain. So far, virtually no systematic research has been completed to assess the manufacturers' claims that the machines raise achievement by holding children's interest and making them drill and practice more than they normally would.

"I think these devices can be useful," said Charles Tidball, a

computer education expert at George Washington University, "but it depends on what support the child is getting outside. To get a great deal from it, a parent or some other adult has to use the time to be involved. There are no major shortcuts."

"We don't claim to replace the teacher or anything that should go on between parent and child," said Ralph Oliva, director of computer learning aids for Texas Instruments, the largest maker of the devices. "We see them as enrichment that provides drill and practice along with fun. This is an alternative to the action games that add productivity to leisure time."

Despite inflation, prices for the computer learning aids, widely advertised for Christmas, have dipped in the United States in the past year. They range from under \$10 for simple models that look like hand-held calculators dressed as plastic owls, to about \$130 for desk-top computers with music and TV-like screens. Their audiences range from 4-year-olds for whom one company offers a "computer-programmed friend" to students in junior high, who are challenged with spelling quizzes and math games.

All of the machines are based on microchips, which reduce the elaborate electronic circuitry that once occupied large rooms to small silicon discs. The first one, Texas Instruments' Little Professor, came on the market just five years ago. It resembles a hand-held calculator with big keys and a bright plastic face, but instead of giving answers, Little Professor gives problems and then corrects answers, functioning as an electronic flash card for mathematics practice and drill.

Speech Imitators

Texas Instruments later added Speak & Spell, Speak & Math, and Speak & Read — three machines that imitate human speech, using a synthesizer embedded in a silicon chip. With the same friendly baritone, they all ask their questions and then calmly prod, correct or reward, depending on the answers.

In Speak & Spell, the voice starts by saying "Hi," and then patiently teaches the spelling of 150 words. There also are secret codes and "mystery words," and five cartridges are available with 150 more words apiece.

At one point the voice says, "Try ocean," and as a child pecks

on an alphabet keyboard, the letters flash on a screen. The voice intones each one after it appears. The child is done, he presses the key marked "ENTER," and receives an encouraging: "You're right."

"Now spell warm," the voice continues. "W-u-r-m," the child attempts. "Wrong, try again," the voice declares, repeating, "warm."

"W-e-r-m" is the second attempt. "That is incorrect," says the voice, still pleasant. "The correct spelling of warm is w-a-r-m," and the correctly-spelled word flashes on the screen. "Now spell sure" — and the lesson continues.

In the Electronic Learning Machine by Coleco, green lights flash and a happy tune plays when the right answer is given. There are red lights and unhappy chords if the answer is wrong.

Mattel's Children's Discovery System includes a keyboard, musical sound effects and animation on a viewing screen that tries to teach not only spelling and vocabulary, but also music and art.

"The whole idea is to have a multisensory environment that interacts with the child," said Dunham. "The kids get more involved than when they just have a book that they have to look at or a teacher who stands at the front of the room."

Brief Thrills

Kenneth Komoski, executive director of the Education Products Information Exchange, an independent consumer-oriented group, is more cautious. "It's true that the kids get more involved with these machines," said Komoski, who wrote a report for the Ford Foundation on the computer learning aids. "But we found that the thrill wore off pretty quickly."

"They're useful for practice of math operations or spelling that children already know," he continued. "But we identified very little new learning taking place. There are lots of bells and whistles, but inside they're not much more than drill and flashcards, maybe electronic workbooks."

Although the companies involved do not release sales figures for particular products, Leisure Time Electronics, a trade magazine says that in 1980 about 10.7 million computer learning aids and games were sold to consumers, including the machines and their add-on cartridges and modules, with a retail value of \$174 million. In 1979, about 7.5 million units were sold, valued at \$96 million.

Computers in Education

By contrast, despite extensive publicity, the use of computers for teaching in schools has remained small, according to researchers at the National Institute of Education. "Some of them have been effective," said Patricia Butler, an NIE associate, "but because of the costs involved, they haven't been accepted."

Costs are now coming down with the introduction of home computers priced at about \$400 that plug into television sets, and Butler said that with those cheaper machines available, the schools are beginning to use computers more. But she said that the much-predicted "computer revolution" in schools is "still far from happening."

Even though two major firms entered the computer education market this year Texas Instruments "dominates" the field, probably because of the appeal of its speech simulator.

But as Tidball, of George Washington University, said, by itself, the simulated "doesn't make the computers any better as an education device. It doesn't make them better than an interested and available human being who's much more creative and responsive than any computer."

But Games Will Get Farther Out

By Andrew Pollack

NEW YORK — If the children already seem to be growing bored with the video games they received for Christmas, it might be time to look ahead.

Five years from now, players will be able to engage in intergalactic warfare against opponents in other cities, using computers connected by telephone lines. With two-way cable television, viewers on one side of town might compete against viewers on the other side. Children in the future may be physically attached to the games by wires, as in a lie detector.

All these ideas have already been demonstrated. It remains to be seen whether they can be made into games that are affordable and, an even bigger uncertainty, whether anyone will want to play them.

Videodisks

Some experts think that future video games will use videodisks to give them realistic scenery. Videodisks are like phonograph records that play pictures as well as sound, and most are being used currently to play movies. But the disks can hold up to 54,000 frames, and the players, particularly those of Magnavox and Pioneer that use lasers, can lock onto any one of the frames. That allows the scenes on the disk to be played in any order the viewer — or a computer — chooses.

Rather than showing block or stick figures, a computer game with a videodisk might show film footage of tanks rolling across a field. If the player hits a tank with his electronic weapon, the computer switches to footage of a tank being destroyed.

Videodisks might also provide scenery for fantasy adventures, such as the ones in which players search for treasure in mys-

terious caverns with dozens of different rooms. Creative Computing magazine, using a videodisk of the movie "Rollercoaster," has devised a game where the player must search an amusement park for the parts necessary to build a jammer to prevent the detonation of a bomb planted on the rollercoaster. As the player tells the computer where he wants to go, the scenery shifts accordingly.

Since people are not likely to spend \$700 on a disk player merely to play games, however, such games will not be developed until more people buy the players, as well as their personal computers, for other reasons. It is estimated that about 100,000 consumers own laser videodisk players.

Speech Recognition

New ways of communicating with computers, such as by speech, might also find their way into games. While such speech recognition systems are now limited in capability, they would at least allow a player to fire a weapon by shouting "fire" when his hands are too busy to press a button.

Steven T. Mayer, vice president of development at Atari Inc., said the company has looked at even more exotic ideas. One is a helmet, now used by military helicopter gunners, which tracks the gunner's eyeballs and aims the weapon where the gunner is looking. Others include wiring a player with sensors so objects on the screen can move when a player's pulse rate changes or when he flexes a muscle. "It gives you a

Chinese Works on Sale in New York

NEW YORK — Watercolor by the artist daughter of Chinese leader Deng Xiaoping are on display at a Manhattan gallery, in the first commercial exhibition in decades of contemporary Chinese painting in the United States.

Deng Leng is one of the four Chinese artists whose works are for sale at the Wally Findlay Galleries, together with a collection of paintings by 40 peasants from the Jinshan district near Shanghai. The exhibition was organized by the art dealer James R. Borynack, who made three trips to China within a year and made his selections after seeing the work of more than 100 artists in Peking and Shanghai.

Deng Leng's strongly drafted studies of bamboo, lotus and cherry blossoms on fine handmade paper are priced from \$1,000 to \$3,600. Slightly more expensive are the distinctive and powerful abstract landscapes of Wang Jiao and the classic figure painting of Geng Yin, a woman artist who created an allegorical painting of a goddess scattering U.S. state flowers through the heavens in honor of her first showing in the United States.

The peasants' brightly colored paintings with their story-telling quality have been very popular with visitors to the gallery, according to Borynack.

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Tables include the nationwide prices up to the closing on Wall Street.

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Jan. 7, 1962														
Dow Jones Averages														
Index	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
INDUST	30.25	30.15	30.20	30.20	0.00	100	100	100	100	100	100	100	100	100
UTIL	30.25	30.15	30.20	30.20	0.00	100	100	100	100	100	100	100	100	100
COM	30.25	30.15	30.20	30.20	0.00	100	100	100	100	100	100	100	100	100
Market Diaries														
NYSE														
Volume	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
Vol	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Vol	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Vol	100	100	100	100	100	100	100	100	100	100	100	100	100	100
NYSE Most Actives														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
NYSE Index														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Standard & Poors Index														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
AMEX Most Actives														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
AMEX Stock Index														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Odd-Lot Trading in N.Y.														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Dow Jones Bond Averages														
Symbol	High	Low	Open	Close	Change	Volume	12 Month	Stock	High	Low	Open	Close	Change	Volume
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100
IBM	100	100	100	100	100	100	100	100	100	100	100	100	100	100

U.S. Unions at Critical Juncture

By William Scrin

New York Times Service

NEW YORK — U.S. labor unions are heading into negotiations on contracts — estimated to cover 4.5 million workers — against a backdrop of high unemployment, continuing recession and wide industry demands for labor cost concessions.

Concessions are occurring not only in the automobile and trucking industries but also in steel, rubber, airlines, rail transportation and other industries. Experts expect concessions to bring a transfer of millions of dollars from employees to employers, a situation that has not occurred since labor-management contract bargaining became a formal institution in the 1930s and 1940s.

Harley Shaiken, a labor specialist at the Massachusetts Institute of Technology, said the United States was seeing a change in the whole structure of collective bargaining.

IBW Contract

At the same time, a fundamental restructuring of the U.S. economy and its workplace is placing additional burdens on the labor movement. Employment in established industries is being reduced; new, nonunion jobs are being created and production is being sent abroad.

Labor's response to this tangle of demands, labor authorities say, may go far in determining the future power of the movement.

On Monday, the International Brotherhood of Teamsters resumed negotiations with truckers in Chicago, attempting to reach a new agreement covering 300,000 truck drivers. People involved on both sides of the talks have said they expect major union concessions, with truckers receiving only moderate wage increases.

Thursday night was the deadline for the Oil, Chemical and Atomic Workers Union to reach a contract agreement covering 55,000 oil industry workers.

The union represents perhaps 50 to 60 percent of the work force of the petroleum industry. Without much wider representation in this highly automated industry, the union will find it difficult to extract large gains or to win a strike. The companies, as is the case in other industries with automated equipment and the use of supervisory workers, can easily continue much of their operations.

On Friday, General Motors and Ford councils of the United Automobile Workers will meet in Chicago to decide whether to reopen contracts with the two auto makers. New in the union's history, which dates to the 1930s, have contracts been reopened to grant concessions to GM or Ford.

In addition, contracts are to be negotiated this year in the clothing, rubber, hospital, electrical, food processing, farm implement and agriculture industries.

But there are other problems as well. In December, the United Steelworkers of America lost an

These are "alarming signs of the growth of corporate power and increased employer resistance to unionism..."

important battle to organize workers at 14 plants, including large ones in the South owned by Du Pont, a target of trade union organizations for decades.

In the fiscal year ended Sept. 30, 1980, according to the National Labor Relations Board, unions won just 45.7 percent of their organizational elections.

Moreover, President Reagan appears to have won widespread public support for his firm handling of the strike by air traffic controllers.

Many business people and some economists believe unions have exercised excessive power at the bargaining table and, by driving labor

costs up, have brought intolerable cost burdens to U.S. companies.

The unions reply the labor movement cannot be blamed for economic forces at work or management mistakes.

"I am often fascinated by the glib speculations on labor's future that enliven some journals," Lane Kirkland, president of the AFL-CIO, said recently. He said there was a tendency "to see in labor's defeats evidence of labor's weaknesses rather than alarming signs of the growth of corporate power and increased employer resistance to unionism, signs which should trouble a democratic, pluralistic society."

"It is not only the labor movement that has a problem" in the decline of manufacturing jobs, he said. All of society "needs to be alerted to the dangers inherent in the erosion of the nation's industrial base."

Jack Golodner, director of the AFL-CIO's public employee department, says almost all U.S. workers, except public sector engineers and scientists, have demonstrated that they believe in collective action to attack workplace problems. He predicts union or-



Lane Kirkland

ganization will rise, even among professional workers.

But labor experts, some in the labor movement and some who observe the movement from outside, wonder whether labor has the expertise and creativity to respond to the challenges it faces.

Robert Schrank, a specialist in work and labor issues who was formerly with the Ford Foundation, said the unions were "not bold, not creative."

"They are dreaming that everything will go back the way it was," he said. "But that is a dream. That never happens. It never will. That's nostalgia."

Airline Pay Cut

LOS ANGELES (AP) — Western Airlines has reached tentative agreement on a 10-percent wage cut for pilots and flight attendants aimed at easing its struggle with millions of dollars in losses, the Los Angeles Times reported Thursday.

The Air Line Pilots Association agreed to the reduction that could save \$16.8 million a year, the Times said. Western's 1,850 flight attendants still must approve the wage cut tentatively approved by the Association of Flight Attendants.

to arrange loans needed for the purchase of the steel pipe used in the gas network. The officials said that meant that fresh Soviet demands for cash could total more than 600 million DM in coming weeks.

The banking officials said the 300-million-DM request was essentially to enable the Russians to make down payments on compressor stations and other equipment ordered last fall. The Russians agreed to make the down payments to the suppliers can buy materials and pay for services such as engineering.

That agreement was included in a package of credits the banks approved last July to finance the compressor stations and other equipment on the 3,300-mile pipeline, which is expected to begin delivering 1.3 trillion cubic feet of natural gas from Siberia to Western Europe in the mid-1980s.

According to the July agreement, financing of the steel pipe, of which roughly 3.5 million tons will be needed, was carved out of the overall financing package. Arrangements were made for the steel pipe purchases and their financing to be negotiated by the Russians and their Western and Japanese suppliers on a year-to-year basis.

Mannesmann Talks

A spokesman for Mannesmann, the major West German bidder, said Thursday that talks on the steel pipe purchases had begun.

The bank officials said that differences had emerged within the consortium financing the pipeline over how to treat the Soviet request.

Unresolved is the question of Poland's payment of about \$350 million in overdue interest owed Western banks in 1981, and there has been speculation that the new Soviet requests might be with a view to aiding Warsaw in paying its debts.

Some bankers said this was unlikely because the requested credits involved essentially transfers from West German banks to Western European pipeline suppliers. Others disagreed, contending the loans would afford the Russians means of aiding Poland by easing the Soviet Union's own hard currency squeeze.

Malaysia Oil Price Cut, Sources Say

KUALA LUMPUR — Malaysia has joined the latest round of oil price cuts by shaving 30 cents to one dollar a barrel off its crude prices under pressure from a persistent world glut, oil industry sources said Thursday.

Price cuts ranging from a few cents to around a dollar have been made in the last month by most OPEC members and such non-OPEC producers as Mexico, Norway and Britain.

Malaysia, not a member of OPEC, exports about 200,000 barrels daily mainly to Japan and the United States. In July, Malaysia's state oil agency Petronas had to cut prices \$2 a barrel due to the worldwide glut.

West German Jobless Rate Hits 7.3%; Gloom Deepens

By Paul Taylor

Reuters

BONN — Unemployment in West Germany jumped sharply last month to the highest December figure since 1954 and there was no sign of Western Europe's most powerful economy coming out of recession, according to official figures published Thursday.

The number out of work rose more than 200,000 to 1.7 million, or 7.3 percent of the workforce compared with 6.4 percent in November.

Federal Labor Office president Josef Stügel said there was no sign of an economic upturn that could reverse the unemployment trend, although a survey released Wednesday by the European Economic Community Commission suggesting that the EEC may be starting to emerge from recession.

Economy Shrinks

Other economic indicators released Thursday confirmed Mr. Stügel's view. The Federal Statistics Office issued provisional data showing that the West German economy contracted 0.3 percent in real terms last year.

Industrial production fell by 0.9 percent in November while incoming orders for West German industry showed a meager one-percent increase that month.

The figures highlighted a picture of shrinking domestic demand with orders from abroad, up four percent in November, entirely responsible for the slight overall rise. The 0.3-percent decline in gross national product — the total value of goods and services — followed growth of 1.8 percent in 1979.

Government advisers expect a return to one-percent growth this year but one of the country's five main independent economic research institutes has forecast that the recession will last through 1982.

The EEC said last month that the number of people out of work in the 10-nation community had risen to 10 million, or nine percent of the workforce, with West Germany showing the fastest rate of increase. And Mr. Stügel said recently that unemployment would soon top the two-million level if bad weather continued to depress the building sector.

The gloomy outlook will likely increase pressure from the trade unions on Chancellor Helmut Schmidt's Social Democratic Party for urgent government measures to boost the economy and create jobs. Mr. Schmidt has said the government would consider moves to boost the economy and create jobs

U.S. Steel Takes Control of Marathon

From Agency Dispatches

NEW YORK — U.S. Steel Corp. took control of Marathon Oil Co. on Thursday following the rejection by Chief Justice Warren E. Burger of a last-ditch plea by Mobil to halt the takeover, the second most expensive in U.S. corporate history.

Mobil wanted Justice Burger to freeze the deal until the full Supreme Court considered Mobil's

formal appeal of a lower court antitrust ruling that blocked its own \$6.5-billion bid for Marathon.

U.S. Steel announced that it had purchased 30 million Marathon shares, or 51 percent of Marathon's common stock, under the terms of \$6.15-billion takeover.

Because the steelmaker's cash offer attracted 21 million more Marathon shares than it wanted, U.S. Steel will buy about 58 of each 100 shares tendered. The rest will be accepted after a merger of the two companies, in exchange for U.S. Steel notes currently valued at about \$80 each.

U.S. Steel said Thursday that it planned to issue checks in payment to Marathon stockholders on Monday, and that shares not purchased for cash would be returned shortly afterward.

Even after Justice Burger on Wednesday turned down Mobil's appeal for an emergency restraining order, Mobil could have gone to other justices in order of seniority. However, Justice Burger said he had told other justices of his "contrary views."

First Boston Corp., which is earning a fee of \$18 million for advising Marathon, was also adviser to Du Pont when the chemical giant last summer took over Conoco for \$7.6 billion in the

largest U.S. corporate takeover. Mobil was the losing suitor in that battle, as well, along with Seagram of Canada.

Mobil spokesman John Flint said the company was studying Justice Burger's ruling and planned no public statement.

Despite its setback, Mobil may not remain silent for long. It has said that if it lost the fight to U.S. Steel, it might yet buy up to 25 percent of U.S. Steel stock as a bargaining chip to pry loose Marathon's U.S. oil reserves.

Under federal securities laws, Mobil's 30-day waiting period before it can buy U.S. Steel stock expires Friday unless the Federal Trade Commission requests further data. If such a request is made, Mobil must wait an additional 20 days from the time it supplies the information.

Even so, Wall Street analysts argued that Mobil would face the same antitrust problems in purchasing a major block of U.S. Steel as it did with Marathon.

Some oil industry analysts said they believed that Mobil still wanted to test the government to see how large a merger it would permit within the oil industry and get a definitive court ruling on such mergers.

Long and Costly

However, other analysts said Mobil most likely will resume what it was doing before it went after Conoco and Marathon — buying reserve-rich oil companies, but not the integrated giants.

The battle for Marathon was long and costly for both all three companies.

The takeover fight began last Oct. 30, when Mobil announced it would pay \$86 a share for two-thirds of Marathon's stock in a deal valued at \$5.1 billion.

Marathon rejected the unsolicited offer and sued Mobil in federal court in Cleveland to block the proposal on antitrust grounds. Then on Nov. 19, Marathon announced an agreement with U.S. Steel for \$125 a share.

Mobil later raised its offer to \$126 a share but was unable to surmount a ruling by the Cleveland court that a Mobil-Marathon combination probably would violate antitrust laws by reducing competition in gasoline markets.

The question never went to trial because Mobil had no time to spare in trying to keep up with the legal maneuverings of U.S. Steel.

Stock Prices Close Mixed in Rally

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed on a mixed note Thursday after some late strength pulled the market back from earlier lows.

After falling as much as six points, the Dow Jones industrial average recovered to close up 0.76 points at 861.78.

Declines led advances, around 790 to 650, and volume slipped to 43.41 million shares from 51.51 million Wednesday, indicating Wall Street's continuing concern with the prospects of high budget deficits, which could push up interest rates.

Prices were lower in moderate trading of American Stock Exchange issues.

Analysts said the market was helped a bit late in the session by bargain hunters and by investors replacing borrowed shares they sold earlier in hopes the market would slide.

Harvey Deutsch of Parcell Graham noted that the afternoon buying was "very selective," centering primarily on blue chip stocks and volume was low, which does not augur well for a rally in the market Friday.

He also said the late uptrend may have been based on Wall Street projections of a drop in the weekly money supply figures, to be announced Friday.

An unexpected gain in the money supply figures announced Monday prompted a 25.78-point loss in the three sessions prior to Thursday. The rise fueled concerns that interest rates may turn higher.

Norman B. Ture, undersecretary of the Treasury for Tax and Eco-

nomics Affairs, warned that further sharp increases in the money supply could boost the prime lending rate to 20 percent or higher by mid-year.

"If the Fed continues expansion at that rate, we could see a prime rate of 20 percent or above by mid-year or fall. And economic recovery will be weak and fragile," he said.

He noted the recent sharp spurt resulted from Federal Reserve's concern that M-1 growth would fall below the Fed's target for 1981.

In a report earlier in the day, the highly regarded National Bureau of Economic Research said the recession began in July, a year after the previous one ended. The NBER said the 12-month recovery from the 1980 recession was the shortest since a 10-month upsurge in 1919.

Meanwhile, supported by higher Eurodollar deposit rates, the dollar improved against major foreign currencies in Western Europe, while the price of gold fell back below \$400 a troy ounce.

Commenting on the swings in the dollar, a senior banker in Frankfurt said, "The market is confused. Nobody knows where interest rates are really moving, and the Fed [U.S. Federal Reserve Board] is not signaling a clear trend either."

The dollar achieved its most pronounced gain against the Swiss franc, which was weakened by indications that the Swiss National Bank would pursue a more expansionary monetary policy this year to brake the franc's appreciation, dealers said.

The Soviet Union was also a seller of dollars, against both Deutsche marks and guilders, they said.

European bullion dealers cited heavy selling in New York overnight Wednesday and by a "very big company" in Europe for gold's weakness. It fell \$4 to close at \$397.50 in London, and dropped \$6 to finish at \$395.50 in Zurich.

Meanwhile, Moody's Investors Service suspended its Baa 1 credit rating — the highest quality among "medium-grade obligations" — on two nuclear power plants being built in Washington state, citing uncertainty surrounding the fate of the project.

The financially troubled Washington Public Power Supply System has borrowed more than \$2 billion for the construction of its units 4 and 5 to generate electricity for 88 participating utilities.

Moody's also said the service is reviewing its Triple-A rating for the projects of other three units, which are backed, in effect, by a federal agency.

A plan to mothball units 4 and 5 appears in danger of being rejected and the head of the committee representing the utilities sponsoring the projects has said the plants probably will be abandoned.

In Washington, General Dynamics' Electric Boat division was awarded a \$523.7-million contract by the U.S. Navy for construction of a ninth Trident nuclear-powered submarine, the Defense Department said. The Navy, citing lengthy delays and costs overruns, had earlier canceled an option with General Dynamics to build the ninth Trident.

BUSINESS NEWS BRIEFS

5 Firms Agree to North Sea Pipeline Link

GLASGOW — British National Oil Corp., British Petroleum and Conoco have reached agreement with Shell Oil U.K. and Esso Petroleum to link their northern gas pipeline into the FLAG System, a BNOOC spokesman said Thursday.

Under the agreement, a £100 million pipeline due to be commissioned in August, 1983, will feed gas from BP's Magnus Field, Conoco's Murchison Field and BNOOC's Thistle Field into Shell and Esso's jointly developed FLAG (Far-North Liquids and Associated Gas System) for piping to St. Fergus, Scotland, the spokesman said.

EEC Fines AEG on Competition Violations

BRUSSELS — The EEC Commission Thursday fined the West German electrical firm AEG-Telefunken 1 million European currency units (\$1.1 million) for violating competition rules.

In imposing the fine, the commission said that between 1976 and 1980 AEG fixed the prices of its products, particularly its television sets, by restricting the access of some retailers to its distribution network.

It said the company gave the commission details of its distribution system in 1973 but later introduced extra conditions to exclude retailers.

Two W. German Firms Win Saudi Contract

BONN — Held and Franke and Krupp Polysins have won a contract worth approximately 715 million Deutsche marks from the Saudi-Kuwait Cement Co. to build a cement plant near Jubail, Saudi Arabia, a Held and Franke spokesman said Thursday.

He said construction of the plant, which is to have a daily production capacity of 7,700 tons, will begin in February and take three years.

Placid Sells Oil Properties to Petro-Lewis

DALLAS — Placid Oil said Thursday that it signed a contract to sell certain U.S. oil and natural gas properties to Petro-Lewis for about \$347 million in cash.

Placid, owned by the Hunt family of Dallas, also said certain Hunt family interests have agreed to sell their stake in the properties to Petro-Lewis for \$63 million in cash.

Petro-Lewis said from its Denver headquarters that the properties included in the transaction had proved reserves of 28.1 million barrels of oil and 54.3 billion cubic feet of gas as of Jan. 1.

Subsidiary of Swiss Firm in Dumping Case

SAN FRANCISCO — The U.S. subsidiary of a Swiss company is accused in federal court of helping dump Japanese steel on the U.S. market at illegally low prices.

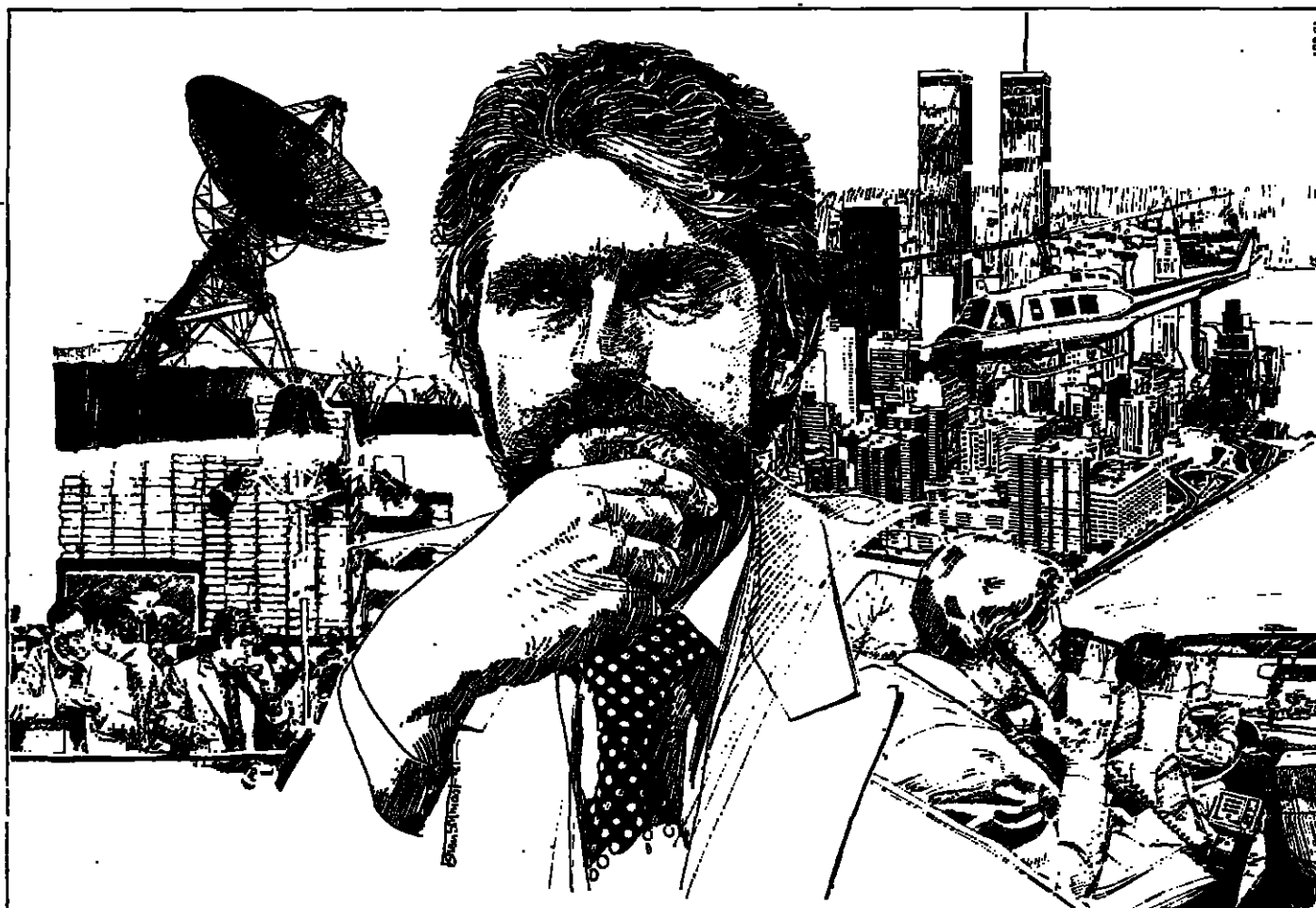
But Herbert Hoffman, special assistant to the U.S. attorney, said VSL Corp. of Los Gatos is cooperating in the investigation and he said a plea-bargain agreement would be submitted Friday to U.S. District Judge Marilyn Hall Patel.

The criminal complaint filed Wednesday accuses VSL, a subsidiary of Losinger of Berne, Switzerland, with aiding and abetting the import of steel by Mitsui's U.S. subsidiary into the country at illegal prices.

Bache Delays Public Issue of DeLorean Stock

NEW YORK — Bache Halsey Stuart Shields, as managing underwriter, has postponed at the last minute a proposed public offering of 1 million shares of stock in DeLorean Motors. Bache said too many new issues were having trouble for the DeLorean issue to have a chance.

No new issue date was indicated. Company founder John DeLorean complained Wednesday that his company was being tarred with the same brush as the Detroit companies even though it earned \$3.7 million in the quarter ended Aug. 31 and 4,600 of his \$25,000 sports cars made in Northern Ireland were sold in the last half of 1981.



The man with exceptional goals needs an exceptional bank.

What makes Trade Development Bank exceptional? To start with, there is our policy of concentrating on things we do unusually well. For example, trade and export financing, foreign exchange and banknotes, money market transactions and precious metals.

Geographically, too, we work mainly in areas where we have something special to offer. This includes the U.S.A., where our subsidiary, Republic National Bank of New York, is one of America's 30 largest banks. It also includes a number of less familiar countries, where our exceptional knowledge of local conditions can be an important advantage for clients.

What's more, we keep our back-office systems running abreast of our business. You may not notice this directly, but it shows up in quicker decisions and fewer errors.

While we move fast in serving our clients, we're distinctly traditional in our basic policies. At the heart of our business is the maintenance of a strong and diversified deposit base. Our portfolio of assets is also well-diversified, and it is a point of principle with us to keep a conservative ratio of capital to deposits and a high degree of liquidity—sensible strategies in these uncertain times.

If TDB sounds like the sort of

bank you would like to entrust with your business, get in touch with us. We're ready to serve you in most of the world's financial centers.

TDB Holding Group: US\$ 10.4 billion in assets; US\$887 million in capital and loan funds employed, as of June 30, 1981.

Group banks: Geneva, London, Paris, Luxembourg, New York (Republic National Bank of New York), Athens, Buenos Aires, Chicago, Gstaad, Hong Kong, Los Angeles, Miami, Monte Carlo, Monterrey, Nassau, Panama City, Punta del Este, Santiago de Chile, Representative offices: Beirut, Caracas, Frankfurt, Mexico City, Rio de Janeiro, São Paulo, Tokyo.

Trade Development Bank

Shown at left, the head office of Trade Development Bank, Geneva, Swiss subsidiary of the Trade Development Bank Holding Group. Luxembourg: TDB is now the sixth largest commercial bank in Switzerland.



CURRENCY RATES

Interbank exchange rates for Jan. 7, 1982, excluding bank service charges.

	\$	£	DM	FF	IL	Yen	Sc	DK	Sw
Amsterdam	2.482	4.752	10.445	41.14	0.202	15.35	6.407	136.4	23.45
Bombay (M)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (N)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (S)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (T)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (U)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (V)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (W)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (X)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (Y)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65
Bombay (Z)	26.58	74.855	17.444	4.775	1.786	12.55	21.045	5.284	28.65

Dollar Values									
\$	£	DM	FF	IL	Yen	Sc	DK	Sw	
Currency	Per U.S.	Per Mark	Currency	Per U.S.	\$	Currency	Per U.S.	\$	
1.1259	Australia \$	0.8825	0.8537	Israeli sheq.	16.65	0.4871	Swedish s.	2.545	
0.8657	Austria sch.	1.3545	1.3545	Japanese yen	3.6078	0.1491	S. African rand	2.06	
0.2424	Belgian fl.	37.426	4.5448	Korean dr.	8.321	0.0014	S. Korean won	70.95	
0.0318	Canadian \$	1.1079	0.3443	Amer. resp.	2.585	0.0017	S. Korean res.	92.85	
0.0001	Chilean \$	28.476	0.0001	Indonesian Rp	1.559	0.0001	S. Vietnamese d.	22.75	
0.2793	French franc	4.362	0.1715	Phil. peso	5.225	0.0426	Taiwan \$	3.574	
0.0075	Gr. drachma	37.40	0.0075	Port. escudo	20.96	0.0026	Thailand baht	22.75	
0.0001	Indian Rupee	8.324	0.0001	S. African rand	2.06	0.0022	U.S. dollar	37.99	
1.5535	Irish £	0.8395	1.1617	S.D.R.	66.075				

\$ = dollar; £ = pound; DM = mark; FF = franc; IL = Israeli sheq.; Yen = Japanese yen; Sc = Swedish krona; DK = Danish krone; Sw = Swiss franc.

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Stock	High	Low	Chg.	5 Yld.	P/E	Div	Yield %	Low Price
ABN	12	12	-1	15	1.1	.10	4.5%	12
ACME	12	12	-1	15	1.1	.10	4.5%	12
ADCO	12	12	-1	15	1.1	.10	4.5%	12
AFM	12	12	-1	15	1.1	.10	4.5%	12
AGC	12	12	-1	15	1.1	.10	4.5%	12
ALCO	12	12	-1	15	1.1	.10	4.5%	12
ALLCO	12	12	-1	15	1.1	.10	4.5%	12
AMEX	12	12	-1	15	1.1	.10	4.5%	12
ANR	12	12	-1	15	1.1	.10	4.5%	12
ARCO	12	12	-1	15	1.1	.10	4.5%	12
ARMCO	12	12	-1	15	1.1	.10	4.5%	12
ASPCO	12	12	-1	15	1.1	.10	4.5%	12
AT&T	12	12	-1	15	1.1	.10	4.5%	12
AUDCO	12	12	-1	15	1.1	.10	4.5%	12
AUSCO	12	12	-1	15	1.1	.10	4.5%	12
AVCO	12	12	-1	15	1.1	.10	4.5%	12
AWCO	12	12	-1	15	1.1	.10	4.5%	12
AYCO	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&L	12	12	-1	15	1.1	.10	4.5%	12
B&M	12	12	-1	15	1.1	.10	4.5%	12
B&N	12	12	-1	15	1.1	.10	4.5%	12
B&O	12	12	-1	15	1.1	.10	4.5%	12
B&P	12	12	-1	15	1.1	.10	4.5%	12
B&Q	12	12	-1	15	1.1	.10	4.5%	12
B&R	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&T	12	12	-1	15	1.1	.10	4.5%	12
B&U	12	12	-1	15	1.1	.10	4.5%	12
B&V	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&X	12	12	-1	15	1.1	.10	4.5%	12
B&Y	12	12	-1	15	1.1	.10	4.5%	12
B&Z	12	12	-1	15	1.1	.10	4.5%	12
B&AA	12	12	-1	15	1.1	.10	4.5%	12
B&BB	12	12	-1	15	1.1	.10	4.5%	12
B&BC	12	12	-1	15	1.1	.10	4.5%	12
B&BD	12	12	-1	15	1.1	.10	4.5%	12
B&BE	12	12	-1	15	1.1	.10	4.5%	12
B&BF	12	12	-1	15	1.1	.10	4.5%	12
B&BG	12	12	-1	15	1.1	.10	4.5%	12
B&BH	12	12	-1	15	1.1	.10	4.5%	12
B&BI	12	12	-1	15	1.1	.10	4.5%	12
B&BJ	12	12	-1	15	1.1	.10	4.5%	12

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AFM	12	12	-1	15	1.1	.10	4.5%	12
AGC	12	12	-1	15	1.1	.10	4.5%	12
ALCO	12	12	-1	15	1.1	.10	4.5%	12
ALLCO	12	12	-1	15	1.1	.10	4.5%	12
AMEX	12	12	-1	15	1.1	.10	4.5%	12
ANR	12	12	-1	15	1.1	.10	4.5%	12
ARCO	12	12	-1	15	1.1	.10	4.5%	12
ARMCO	12	12	-1	15	1.1	.10	4.5%	12
ASPCO	12	12	-1	15	1.1	.10	4.5%	12
AT&T	12	12	-1	15	1.1	.10	4.5%	12
AUDCO	12	12	-1	15	1.1	.10	4.5%	12
AUSCO	12	12	-1	15	1.1	.10	4.5%	12
AVCO	12	12	-1	15	1.1	.10	4.5%	12
AWCO	12	12	-1	15	1.1	.10	4.5%	12
AYCO	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&L	12	12	-1	15	1.1	.10	4.5%	12
B&M	12	12	-1	15	1.1	.10	4.5%	12
B&N	12	12	-1	15	1.1	.10	4.5%	12
B&O	12	12	-1	15	1.1	.10	4.5%	12
B&P	12	12	-1	15	1.1	.10	4.5%	12
B&Q	12	12	-1	15	1.1	.10	4.5%	12
B&R	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&T	12	12	-1	15	1.1	.10	4.5%	12
B&U	12	12	-1	15	1.1	.10	4.5%	12
B&V	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&X	12	12	-1	15	1.1	.10	4.5%	12
B&Y	12	12	-1	15	1.1	.10	4.5%	12
B&Z	12	12	-1	15	1.1	.10	4.5%	12
B&AA	12	12	-1	15	1.1	.10	4.5%	12
B&BB	12	12	-1	15	1.1	.10	4.5%	12
B&BC	12	12	-1	15	1.1	.10	4.5%	12
B&BD	12	12	-1	15	1.1	.10	4.5%	12
B&BE	12	12	-1	15	1.1	.10	4.5%	12
B&BF	12	12	-1	15	1.1	.10	4.5%	12
B&BG	12	12	-1	15	1.1	.10	4.5%	12
B&BH	12	12	-1	15	1.1	.10	4.5%	12
B&BI	12	12	-1	15	1.1	.10	4.5%	12
B&BJ	12	12	-1	15	1.1	.10	4.5%	12

Stock	High	Low	Chg.	5 Yld.	P/E	Div	Yield %	Low Price
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AFM	12	12	-1	15	1.1	.10	4.5%	12
AGC	12	12	-1	15	1.1	.10	4.5%	12
ALCO	12	12	-1	15	1.1	.10	4.5%	12
ALLCO	12	12	-1	15	1.1	.10	4.5%	12
AMEX	12	12	-1	15	1.1	.10	4.5%	12
ANR	12	12	-1	15	1.1	.10	4.5%	12
ARCO	12	12	-1	15	1.1	.10	4.5%	12
ARMCO	12	12	-1	15	1.1	.10	4.5%	12
ASPCO	12	12	-1	15	1.1	.10	4.5%	12
AT&T	12	12	-1	15	1.1	.10	4.5%	12
AUDCO	12	12	-1	15	1.1	.10	4.5%	12
AUSCO	12	12	-1	15	1.1	.10	4.5%	12
AVCO	12	12	-1	15	1.1	.10	4.5%	12
AWCO	12	12	-1	15	1.1	.10	4.5%	12
AYCO	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&L	12	12	-1	15	1.1	.10	4.5%	12
B&M	12	12	-1	15	1.1	.10	4.5%	12
B&N	12	12	-1	15	1.1	.10	4.5%	12
B&O	12	12	-1	15	1.1	.10	4.5%	12
B&P	12	12	-1	15	1.1	.10	4.5%	12
B&Q	12	12	-1	15	1.1	.10	4.5%	12
B&R	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&T	12	12	-1	15	1.1	.10	4.5%	12
B&U	12	12	-1	15	1.1	.10	4.5%	12
B&V	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&X	12	12	-1	15	1.1	.10	4.5%	12
B&Y	12	12	-1	15	1.1	.10	4.5%	12
B&Z	12	12	-1	15	1.1	.10	4.5%	12
B&AA	12	12	-1	15	1.1	.10	4.5%	12
B&BB	12	12	-1	15	1.1	.10	4.5%	12
B&BC	12	12	-1	15	1.1	.10	4.5%	12
B&BD	12	12	-1	15	1.1	.10	4.5%	12
B&BE	12	12	-1	15	1.1	.10	4.5%	12
B&BF	12	12	-1	15	1.1	.10	4.5%	12
B&BG	12	12	-1	15	1.1	.10	4.5%	12
B&BH	12	12	-1	15	1.1	.10	4.5%	12
B&BI	12	12	-1	15	1.1	.10	4.5%	12
B&BJ	12	12	-1	15	1.1	.10	4.5%	12

Stock	High	Low	Chg.	5 Yld.	P/E	Div	Yield %	Low Price
ABN	12	12	-1	15	1.1	.10	4.5%	12
ACME	12	12	-1	15	1.1	.10	4.5%	12
ADCO	12	12	-1	15	1.1	.10	4.5%	12
AFM	12	12	-1	15	1.1	.10	4.5%	12
AGC	12	12	-1	15	1.1	.10	4.5%	12
ALCO	12	12	-1	15	1.1	.10	4.5%	12
ALLCO	12	12	-1	15	1.1	.10	4.5%	12
AMEX	12	12	-1	15	1.1	.10	4.5%	12
ANR	12	12	-1	15	1.1	.10	4.5%	12
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AWCO	12	12	-1	15	1.1	.10	4.5%	12
AYCO	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&L	12	12	-1	15	1.1	.10	4.5%	12
B&M	12	12	-1	15	1.1	.10	4.5%	12
B&N	12	12	-1	15	1.1	.10	4.5%	12
B&O	12	12	-1	15	1.1	.10	4.5%	12
B&P	12	12	-1	15	1.1	.10	4.5%	12
B&Q	12	12	-1	15	1.1	.10	4.5%	12
B&R	12	12	-1	15	1.1	.10	4.5%	12
B&S	12	12	-1	15	1.1	.10	4.5%	12
B&T	12	12	-1	15	1.1	.10	4.5%	12
B&U	12	12	-1	15	1.1	.10	4.5%	12
B&V	12	12	-1	15	1.1	.10	4.5%	12
B&W	12	12	-1	15	1.1	.10	4.5%	12
B&X	12	12	-1	15	1.1	.10	4.5%	12
B&Y	12	12	-1	15	1.1	.10	4.5%	12
B&Z	12	12	-1	15	1.1	.10	4.5%	12
B&AA	12	12	-1	15	1.1	.10	4.5%	12
B&BB	12	12	-1	15	1.1	.10	4.	

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EEC Unity Urged On Textile Pact

BRUSSELS — EEC Industry Commissioner Etienne Davignon Thursday urged EEC member states to adopt a new international textile trade pact, cautioning them against making the terms already worked out more severe.

EEC ministers meet in Brussels later this month to consider the new Multifiber Arrangement, which was hammered out in talks between industrialized and developing countries last month.

The new agreement — the third of its kind regulating the flow of textile exports from the Third World to the developed world — was a reasonable compromise between the need to protect the EEC's own textile industry and the developing countries' desire to export more, Mr. Davignon told journalists.

But he said negotiations had been difficult and had imposed strains on the EEC's relations with the Third World. EEC sources said it was a warning to its 10 member governments not to try to introduce further trade restrictions.


• The new agreement, which provides a framework for bilateral trade agreements between developed and developing nations, includes provisions to cut back sales from heavy suppliers such as Hong Kong, Taiwan and South Korea, and ways to prevent disruptive surges of imports.

The current bilateral pacts expire at the end of this year, and Mr. Davignon said that if talks to replace them were not completed satisfactorily by next September the EEC would renounce the agreement.

The Multifiber Arrangement has been accepted so far by Japan and the United States among industrialized countries. But it has been attacked as insufficiently restrictive by representatives of the West European clothing and textile industry, which has been shedding jobs at a rate of 100,000 a year since 1977.

DRIED PRUNES
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DOW JONES 1500?

Prophets of despair continue to evangelize, urging investors to hoard dried prunes (especially treated), precious metals, penicillin and back copies of Playboy, awaiting what they divine as the inevitable Apocalypse. They are inflexible, refusing what Descartes said, "I shall persevere until I find something, that is certain, or, at the least, until I find for certain, that nothing is certain." The philosopher would have made a cozy speculator. Although we agree that there are no absolutes, we do believe that the market is poised for a major upswing in 1982, re-stating a prediction we made during the summer doldrums that the "Dows will touch 1,000 before hitting 750". Monumental opportunities, akin to the sustained move that TELEDYNE, \$133 realized, from \$3, will be available to investors who mock prevailing opinion. In our letter, we define the possibilities of an emerging oil equity, that may post, geometric gains, once drilling programs, now planned, buttress income currently derived from producing wells in Oklahoma. The market, we think, would also reward blue chips, that have been accumulated for years, by the "Power Elite", at wholesale price; shares that may be distributed at substantially higher levels, as the Dows attempt to soar to 1500 or better; for relentless upticks allow ignite public participation. For your complimentary copy, please write to:



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France Plans Rise in State Aid to Firms

From Agency Dispatches
PARIS — French Finance Minister Jacques Delors said Thursday that he will increase the amount of reduced-interest government loans for companies in 1982.

He told a conference of French business leaders this will follow a 200-percent increase in such loans to 25 billion francs in 1981 over 1980. The loans carry interest two points below long-term market rates.

Mr. Delors also said reforms to government savings institutions will include unspecified measures to favor risk capital.

Mr. Delors was one of only three economics ministers who received favorable ratings in a national poll of 642 company chief executives in France. The other two were Regional Affairs and Planning Minister Michel Rocard and Industry Minister Pierre Dreyfus, according to the poll published by the French economic magazine *l'Expansion*.

Premier Pierre Mauroy ranked among the least popular.

As well, 91 percent of the business leaders are pessimistic about economic prospects in 1982 with the only favorable overall judgment of the economic policy of the Socialist government was the reduction of interest rates, which was approved by 81 percent of those polled.

Only 4 percent of those polled saying they realistically hoped to increase earnings in 1982, while 33 percent expect them to decrease.

The government's nationalization program, the new "wealth tax" and increased corporate charges have chilled the French business climate in France.

Gainers and Losers in 1981

Stocks with largest price change from 1980. Does not include issues suspended from trading during the year.

New York Stock Exchange

Stock	High	Low	Close	Percent Change
Gainers				
General Elec.	18.35	18.34	18.34	+148.2
Dial	48.50	18.63	48.00	+146.2
Boeing	78.88	32.07	147.75	+130.2
UTC Bancorp.	29.75	13.25	29.75	+126.5
Boeing	78.13	14.33	33.50	+124.2
Chrysler	33.75	12.75	29.00	+123.3
Lincoln	33.75	12.75	27.75	+117.8
Mediatech	32.75	11.47	27.40	+112.7
Albright	23.50	10.16	22.00	+112.7
Down Jones	31.25	12.75	49.50	+107.5
Service Corp. International	25.50	10.69	24.75	+106.3
Telecom	22.75	9.24	14.13	+104.9
Shaw-Walker	13.50	6.13	12.25	+104.2
Amstar	10.13	4.31	9.13	+101.4
Tenneco	10.13	4.31	9.13	+101.4
Phillips Industries	17.25	6.75	17.13	+99.2
Overseas Transportation	31.13	13.38	27.50	+97.3
Losers				
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5
Continental	10.22	2.63	2.63	-72.5

Foreign Buying of U.S. Equities Drops Sharply

By Gary Pucka

AP-Dow Jones

NEW YORK — The flood of foreign investing in U.S. stocks in the past two years has slowed to a trickle. And with many of the factors suppressing this source of funds not expected to change in the near future, some analysts are beginning to count foreigners out as a major prop to U.S. equities markets in 1982.

A new survey by the Securities Industry Association shows that net foreign purchases of U.S. equities in the third quarter shrank to \$659 million from a second quarter total of \$2.9 billion. While the SIA figures are the latest authorities on available, brokers of foreign stock orders on Wall Street say that the fourth quarter and first few days of 1982 continued the third quarter's depressed trend. The SIA survey was mailed to the trade group's membership Wednesday.

Prospects of a steady influx of foreign funds has been an important part of the long-term bullish argument for stocks since OPEC began building up tremendous cash surpluses in the late 1970s. The SIA data show that without the oil-exporting nations, there would have been negligible foreign buying of stocks for the third period. But the bearish prospects for the price of oil and intensified spending by the Arab nations on internal development may take away the Mideast stimulus this year, some analysts believe.

'Little Buying'

"What you've had is more importing of hard goods on the part of the Mideast countries, notably Saudi Arabia," said Robert G. Smith, a partner at Gray, Seifert & Co., a New York investment man-

Lower Rates, '81 Losses Cut Wall Street's Attractiveness

agement firm. "There are fewer liquid reserves available for foreign investment."

Peter Tanous, chairman of Petra Capital Corp., a New York investment house representing investors from Arab countries, said, "There has been very little buying" by Middle East investors since the third quarter, with the first few days of the new year especially dull.

Mr. Tanous said that Middle East investors tend to follow market trends rather than try to anticipate them and have left U.S. stocks for now because of poor performance relative to other investments. A lot of Arab money is staying in Kuwait's stock market, which is closed to foreigners, and has "been incredibly lucrative lately," said Mr. Tanous.

Suzuki Seeks Cut In Trade Barriers

TOKYO — Japanese Premier Zenko Suzuki has asked leaders of the ruling Liberal Democratic Party to draw up a program with government agencies to further open Japan's markets to imports, party officials said Thursday.

Mr. Suzuki told party Secretary-General Susumu Nakaiido and other party leaders that the program should include the lifting or easing of at least 26 unspecified nontariff barriers, they said. He suggested that ways should be found to reduce the number of import quota restrictions that Japan still retains on 27 items, mostly agricultural products, they said. Mr. Suzuki said consideration should be given to giving foreign enterprises operating here the same facilities and benefits given to Japanese companies overseas.

FUTURES DOW JONES

Through New York Industrial Index Fund Prices in U.S.\$	bid/offer quotes	Business done
Maturity	Jan. 7	last week
Jan. 28	855/865	855/867
Feb. 25	855/865	855/867
March 25	854/869	854/868

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be a support for the U.S. market in 1982," he said.

The SIA also found that despite considerable talk on Wall Street of investing abroad, U.S. investors showed relatively little interest in the third quarter. U.S. investors chalked up net sales of foreign stocks of \$242 million, compared with net buying of \$164 million in the second quarter. The biggest switch was away from Japanese equities, which had attracted \$621 million of net purchases in the second quarter. The figure was \$127 million in net sales from July to September.

Belgians to Ask Japan To Continue Auto Pact

TOKYO — A Belgian government delegation will visit Japan Monday for talks with officials on Japanese auto shipments to Belgium, Japanese Foreign Ministry officials said Thursday.

Industry sources said the delegation is expected to ask Japan for a continuation of the voluntary restraints on car sales to Belgium to which it agreed last year. Japan exported 102,400 cars to Belgium in 1981, 8.4 percent fewer than in 1980, they added.

U.S. Ruling May End Poisoned Atmosphere of Mergers

By Robert Metz

New York Times Service

NEW YORK — If you cannot have the well — poison the water. Until two weeks ago, that philosophy repeatedly found expression in restrictive options offered by managers to merger partners of their choice.

The chosen merger partner was usually granted an option to buy enough shares of the company to discourage any unfriendly bid that might materialize. A second option, even stronger in impact, pledged the company's crown jewels to the favored partner so that a rival bidder would gain little by the acquisition.

These options had an effect — tempering the bidding in some merger wars and eliminating rival bids entirely in others.

Just before Christmas, however, the 6th U.S. Circuit Court of Appeals in Cincinnati ruled that such options were manipulative and therefore illegal under the Williams Act.

U.S. Studies Private Sector For Development-Aid Role

By Hobart Rowen

Washington Post Service

WASHINGTON — Top Reagan administration officials said Thursday that the World Bank could not realistically expect to expand its lending role in this decade, and should instead help the private sector attain a greater role in economic growth of the Third World.

(R. T. McNamara, deputy secretary of the Treasury, said the United States is exploring the legality of allowing U.S. pension funds and life insurance companies co-finance projects in the developing world with the World Bank and other development agencies, Reuters reported.

Mr. McNamara told a day-long conference at the Brookings Institution on the future of the World Bank that "these two very large pools of capital" could be used to increase the role of the private sector in overseas development. He said any investment would have to be "reasonable and prudent."

Former Treasury Secretary George P. Shultz scrapped his prepared remarks to take issue with a plea by former Bank President Robert S. McNamara that the bank continue to expand.

Opening the conference, Mr. McNamara — now chairman of the Overseas Development Council, a private institution devoted to Third World problems — said the bank's lending capacity could be expanded without a great budgetary drain.

"We have to look on the 1980s in a different way," Mr. Shultz said. "The greatest mistake would be to tip into the world's savings for concessional aid. The bank's image of the past few years is that it is helping countries to avoid facing up to realities."

Specifically, the court eliminated an option that would have allowed U.S. Steel to buy 10 million of Marathon's treasury shares at \$90 each for an obvious advantage in its takeover war with Mobil and quashed an option whereby Marathon was to sell U.S. Steel its most valuable asset — the Yates oilfield in Texas — if Marathon went to another company.

The appeals court ban in Ohio appears to have ended an era that began with the acquisition of Pullman by Wheelabrator-Frye. Pullman's key concession gave Wheelabrator an option on its coveted Kellogg Engineering division in the event that its unwelcome rival, McDermott, prevailed. Wheelabrator won after a spirited bidding contest. The option became standard operating procedure in most merger plans.

Restrictive options are contained in Avon Products current plans to acquire Mallinckrodt in a \$750-million deal announced in December. Before the court decision, Mallinckrodt had given Avon an option to buy 3.6 million as-yet-unissued Mallinckrodt shares at a price of \$50 a share. This would give Avon a substantial advantage should a bidding contest develop.

After having expressed determination to remain independent, Mallinckrodt apparently had second thoughts after National Distillers bought 5.1 percent of the chemical company and later raised its holdings to 9.2 percent.

Clearly Avon and Mallinckrodt could expect a challenge of the option should National Distillers or some other company seek Mallinckrodt. In case of a winning challenge, Avon and Mallinckrodt would have recourse to the Supreme Court.

The Impact

The stifling of such options may be good news for arbitrageurs. Unprotected by well poisoners, would-be acquirers are more likely to face rival bids. But fewer friendly deals may occur.

Carl Ferenbach, managing director of mergers and acquisitions for the Merrill Lynch White Weld Capital Markets Group, defended the options before the court decision, saying they "encourage potential buyers to enter into a transaction."

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Algeria, ex-Fr. comm. (air)	\$ 230.00	115.00	63.00	Iran (air)	\$ 240.00	120.00	69.00	Polynesia, French (air)	\$ 240.00	120.00	69.00
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Algeria (air)	\$ 230.00	115.00	63.00	Ireland (air)	\$ 230.00	115.00	63.00	Romania (air)	\$ 230.00	115.00	63.00
Austria (air)	\$ 2,700.00	1,350.00	736.00	Israel (air)	\$ 720.00	360.00	198.00	Saudi Arabia (air)	\$ 240.00	120.00	69.00
Belgium (air)	\$ 3,400.00	1,700.00	1,500.00	Italy (air)	\$ 240.00	120.00	69.00	South America (air)	\$ 330.00	165.00	92.00
Bulgaria (air)	\$ 280.00	140.00	63.00	Libya (air)	\$ 144,000.00	72,000.00	39,600.00	Spain (air)	\$ 12,300.00	6,150.00	3,255.00
Canada (air)	\$ 330.00	165.00	92.00	Malaysia (air)	\$ 330.00	165.00	92.00	Sweden (air)	\$ 810.00	405.00	225.00
Cyprus (air)	\$ 230.00	115.00	63.00	Mexico (air)	\$ 240.00	120.00	69.00	Switzerland (air)	\$ 330.00	165.00	92.00
Czechoslovakia (air)	\$ 230.00	115.00	63.00	Morocco (air)	\$ 240.00	120.00	69.00	Tunisia (air)	\$ 230.00	115.00	63.00
Denmark (air)	\$ 990.00	495.00	270.00	Netherlands (air)	\$ 4,400.00	2,200.00	1,500.00	Turkey (air)	\$ 230.00	115.00	63.00
Egypt (air)	\$ 240.00	120.00	69.00	Norway (air)	\$ 240.00	120.00	69.00	U.A.E. (air)	\$ 330.00	165.00	92.00
Finland (air)	\$ 330.00	165.00	92.00	Peru (air)	\$ 230.00	115.00	63.00	U.S.S.R. (air)	\$ 230.00	115.00	63.00
France (air)	\$ 110.00	55.00	22.50	Romania (air)	\$ 330.00	165.00	92.00	U.S.A. (air)	\$ 230.00	115.00	63.00
Germany (air)	\$ 720.00	360.00	198.00	Saudi Arabia (air)	\$ 230.00	115.00	63.00	Yugoslavia (air)	\$ 230.00	115.00	63.00
Greece (air)	\$ 360.00	180.00	100.00	Switzerland (air)	\$ 406.00	203.00	112.00	Zaire (air)	\$ 330.00	165.00	92.00
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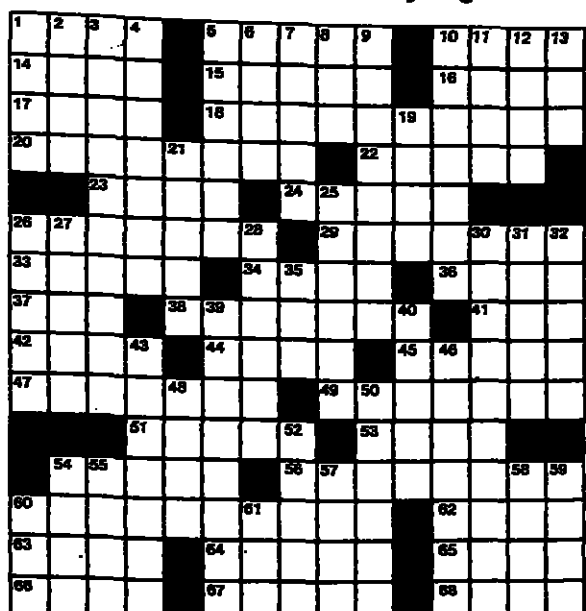
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INTERNATIONAL Herald Tribune
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CROSSWORD

Edited by Eugene T. Malachuk



ACROSS

- 1 Part of a sleeve
5 — Alegre,
Brazil
10 Tar, pitch: Sp.
14 Wheel shaft
15 Part of the
skull
16 Title for
Conrad's Jim
17 Kind of stone
18 Cynosure at a
stadium
20 Emulated
Norman Lear
22 Ministers to
23 Magritte
24 — seal
(otary)
26 Give notice
29 Musical
instrument
33 Corkwood
34 Playwright
Comnelly
36 Of the dawn
37 Letter from
Pierius
38 Person or thing
similar to
another
41 Disenumber
42 River in "The
City of Lilies"
44 Monogram
part: Abbr.
45 Cubic measure
47 Maltreated
49 These have
more decimals
than words
51 Trunk
53 German title

DOWN

- 1 David, e.g.
2 Mate of a
maritus
3 Architect's
handwork
4 Fireplace
screens
5 Person born on
the ideas of
March, e.g.
6 In days of yore
7 — Oro, in
Spanish
Sahara
8 Mountain peak
9 Limited in
scope
10 Big name in
rock
11 "Abbey—"
Beatles album
12 Transgresses
13 Say more
14 Partner of
skittles
21 Member of an
Eastern
Church
25 Hindu's
mythical quaff
26 At right angles
to a ship's keel
27 Author-educator
Angelo
28 Rectifies
30 Approximately
31 Wee one in
Scotland
32 Cordillera de
los
35 "The
Greatest"
36 Head of a
religious group
40 Chemical
compound
43 Attract a
larger
audience
48 Philippines
49 Rubaboo is one
50 Self-confident
52 Flows slowly
out
54 Mosconi's forte
55 First-rate
57 Weskit
58 Iron
59 Printer's
direction
60 Disney
character
61 Org. in "Odd
Man Out"

WEATHER

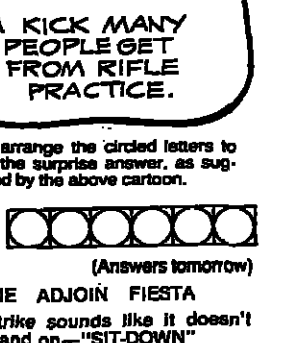
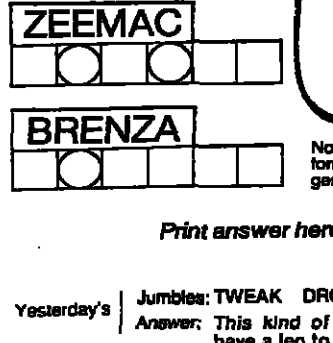
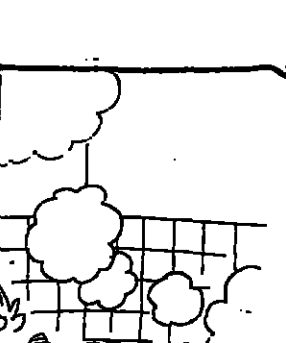
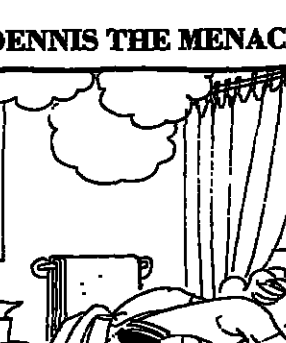
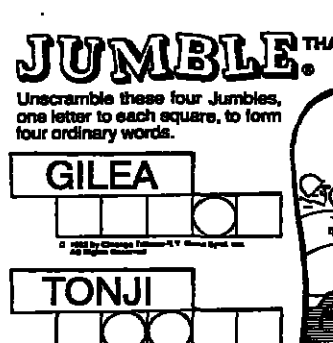
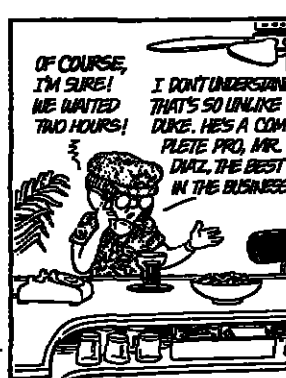
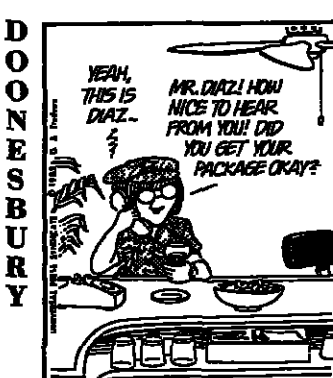
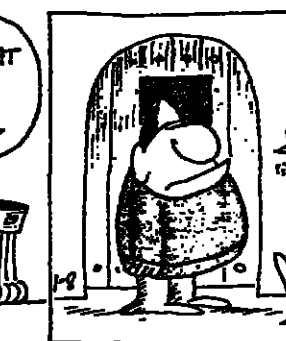
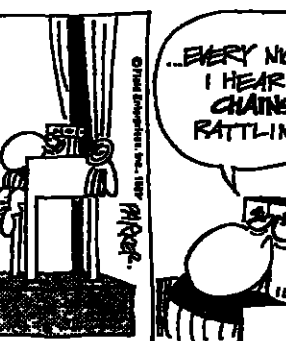
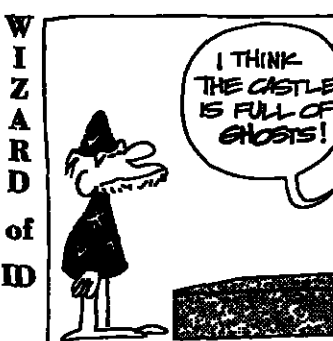
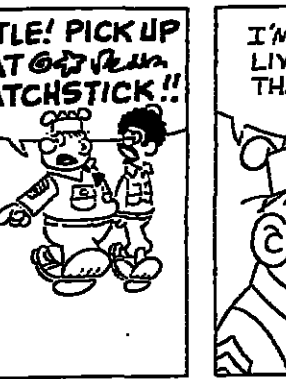
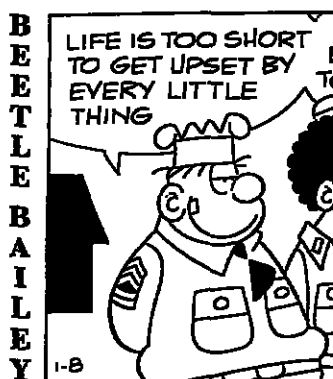
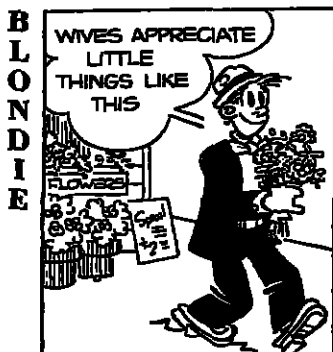
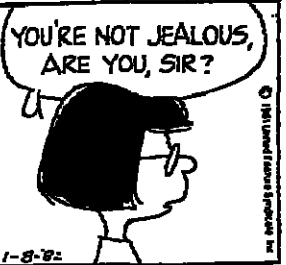
	HIGH	LOW		HIGH	LOW
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ALGERIA	14	8	ALBUQUERQUE	22	14
AMSTERDAM	14	8	ALBUQUERQUE	22	14
ANAKARA	14	8	ALBUQUERQUE	22	14
ATHENS	14	8	ALBUQUERQUE	22	14
AUCKLAND	22	14	ALBUQUERQUE	22	14
BANGKOK	22	14	ALBUQUERQUE	22	14
BARCELONA	22	14	ALBUQUERQUE	22	14
BEIRUT	22	14	ALBUQUERQUE	22	14
BERLIN	22	14	ALBUQUERQUE	22	14
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LIMA	22	14	ALBUQUERQUE	22	14
LISBON	22	14	ALBUQUERQUE	22	14
LONDON	22	14	ALBUQUERQUE	22	14
LOS ANGELES	22	14	ALBUQUERQUE	22	14

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BOOKS

THE UNIVERSITY AND THE PUBLIC INTEREST

By A. Bartlett Giamatti. 184 pp. \$12.95.

Atheneum, Vreeland Avenue, Totowa, N.J. 07012.

Reviewed by Christopher Lehmann-Haupt

ON THE whole, Americans have done an effective job of keeping our college and university presidents confined to the campus. Now and then, one or two of them have broken out and charged around a little, assuming an ambassadorship, taking over a foundation, and even achieving the presidency of the country. But all in all, we've kept them at a safe distance from the levers of raw power.

So over the course of time the president of the academy has evolved a specialized set of public utterances—a collection of noises to be made for the benefit of the students, the faculty, the alumni and the people with the money. These are normally so predictable that our heads drop into our coffee cups.

A. Bartlett Giamatti, who rose in 1977 from being John Hay Whitney Professor of English and Comparative Literature at Yale, to become the university's 19th president, is a master at making such noises. He knows how to be oblique when to be blunt might abort the ceremonial occasion. Here he is offering a piece of advice in his inaugural address, "The Nature and Purpose of the University":

"Where universities, or those within them, falter is in believing that the formal nature of the University, what I have called its official character, necessarily removes them and their inhabitants from the common stream of society; that because universities assert the mind's capacity, in the best sense, to contrive, they can condescend to or smugly disdain whatever is not encompassed by them."

I think he means here that academics shouldn't live in ivory towers. In "The University and the Public Interest," Giamatti has gathered together some of the ceremonial noises he has made to date. Though they go by fancy names, they are mostly your basic set of presidential addresses—welcoming the new class of freshmen ("The Apocalyptic Style"), bucking up the faculty ("The American Teacher"), invoking school spirit ("Yale and Athletics"), warning that cutbacks may be in the offing ("On Behalf of the Humanities") and putting the bite on potential contributors ("Private Sector, Public Control and the Independent University"). But it will be a mistake, I suggest, to fall asleep over them.

It will be a mistake because Giamatti brings us some significant news, in case we hadn't heard yet, of the coming crunch in higher education, if the cost of attending college continues to climb and the pool of potential buyers keeps on shrinking, and how schools such as Yale will have to adapt.

For a considerably more surprising example, Giamatti blames the American tendency to worship power as mere force on no less than Waldo Emerson and his 1860 essay "Power" in the book "The Conduct of Life," where Emerson expresses admiration for "the bruisers," who have run the gauntlet of caucus and tavern through the county or the state. Though it's been a while since I've read that particular essay, my impression is that this view leaves out Emerson's sense of irony.

In the same address by Giamatti, called "Power, Politics and a Sense of History," he describes how he believes power ought to be wielded. "Far better to think historically, to remember the lessons of the past. Thus, far better to conceive of power as consisting in part of the knowledge of when not to use all the power you have. Far better to be one who knows that if you reserve the power not to use all your power, you will lead others far more successfully and well, for to restrain power is in effect to share it. To share power is to give power to those who do not have it. Whoever knows how to restrain and effectively release power finds, if he is skillful and good, that power flows back to him. Power flows back to such a leader because from the sharing of power comes stability in a society, and stability is finally what humankind achieves for, a stability that is just and equitable and humane."

This university president may be safely distanced from the levers of raw power. But he seems to be able to teach us what power really is.

It will be a mistake because Giamatti so often demonstrates himself to be a writer of wit and verbal inventiveness, whether he is defining the difference between a scientist who was a "geyser" and one that was a "tower," or inventing from scratch gas onto the prospect of federal regulation.

It will be a mistake to fall asleep because, most of all, he has an invigorating way of reaffirming unfashionable and sometimes threadbare ideals. This is the case whether he is disputing the popular notion that the Apocalypse is hard upon us: "I believe the new wisdom of a century's end is really only fatigue masquerading as philosophy." Or redefining the value of an education "in the setting of a University College, which means that undergraduates are taught by those who also constantly and actively engage in graduate teaching and research. Or defending Ivy League athletic competition in a way that makes sport sound like something valuable instead of merely an excuse to avoid big-time recruiting.

But

Observer

Speaking of Spokes

By Russell Baker
NEW YORK — In my long career as a news analyst I have seldom had a patient as vexing as Vernon Spokes. In youth Spokes had yearned for a career in public relations and dreamed of some day reaching the heights as press secretary for a gigantic corporation or a huge government bureaucracy.

Spokes, showing symptoms of media-directed paranoia, insisted on blaming the press for his lack of success.

He believed that the press, maliciously intent on ruining his career, had coined the term "spokesman" to frustrate him. No corporate or government bigwig would dream of hiring Vernon Spokes for a vital public relations job, knowing that the press would make him seem ridiculous by calling him "Spokesman Spokes."

If so, I asked Spokes, why not change his name? His explanation was that he had changed his name. He had been born Vernon Mouthpiece back in the 1930s when lawyers were referred to in the tabloids as "mouthpieces."

In high school he planned to become a lawyer and, on the advice of his guidance counselor, changed his name from Mouthpiece to Spokes to prevent the papers from referring to him as "Mouthpiece Mouthpiece."

I asked why he did not campaign to make the press adopt some term other than "spokesman."

"Any suggestions?" he asked. "Why not 'spokesman'?" I suggested. After all, such a person is in fact speaking for his client, not speaking for him. It sounds far more sensible to call him a "spokesman."

"Great idea, Doc," he said. "Then I'll be 'Spokesman Spokes' and could rise to the top."

Several months passed before I saw Spokes again. He looked years older. He accused me of leaking our conversations to President Reagan who, he charged, was determined to destroy him.

Why else, he demanded, would Mr. Reagan have appointed a deputy White House secretary by the name of Larry Spokes? "The president has the American press in his

pocket," Spokes said. "There is no way they are going to give up 'spokesman' and start using 'spokesman' now. They don't have the nerve to irritate the White House by referring to 'Spokesman Spokes'."

I lost my professional calm under this charge that I had conspired to create a Spokesman Spokes just to make life miserable for Spokesman Spokes.

I phoned the House of Representatives. "Let me speak to the Speaker," I said. "Mr. O'Neill is busy at the moment. But a secretary, 'Will you speak to the Speaker's spokesman?'"

"I would. Another voice came on: 'Speaker's spokesman speaking.' 'Hold on for Mr. Spokes, please,' I said. Then, handing the phone to my patient:

"Take charge of your own destiny, Spokes. Speak to the spokesman for the Speaker about the possibility of the Speaker's speaking to Spokesman Spokes about finding you a spokesman's job in one of the less noticeable press offices."

"Ridiculous," said Spokes. "Why should the Speaker speak to Spokes for me?"

"For the publicity, of course. Think of the headline: 'Spokesman Spokes Nixes Speaker's Spokesman's Plea For Spokes.'"

Spokes hung up angrily. "So?" he cried. "You've already spoken to Spokes to make sure he'll turn down the Speaker."

Reason did not calm Spokes. Loudly, he insisted that I was a fraud. What's more, he intended to let the world know. I saw hope for a cure. "Yes, do that," I said, "but you mustn't make the announcement yourself or the papers will headline the story 'Spokes Whines on Doc' and everybody will think I'm turning into a sports car. For best effect you must retain a spokesman to make your denunciation. In fact, here is your chance to realize your dream."

"How so?"

"You be the spokesman in charge of the denunciation."

"That's no job. Who would pay me?"

"I would of course."

"Pay for your own denunciation?"

"Why not? Coming from a spokesman, nobody will believe it."

Anything for a cure.

New York Times Service

Ben Bagley, Rescuer Of Broadway Tunes

By David Richards

WASHINGTON — Elsewhere in the world, people are fighting to preserve the whales, the redwoods, the Morosco Theater, and the separation of church and state. In one half of a tiny brick bungalow in Queens, N.Y., that has rented for \$75 a month for the past 21 years, Ben Bagley is fighting to save the Broadway show tune.

Not showtunes like "Oh, What a Beautiful Morning" or "On the Street Where You Live" or "Tomorrow," which are doing just fine on their own. But songs that never got recorded in the first place, were dropped during the out-of-town tryout, or were simply tucked away in the composer's or the lyricist's trunk and forgotten.

"My mother was a concert pianist," says Bagley, in a voice that approximates gravel in a Cuisinart. "She used to bring home sheet music from all the Broadway shows. She'd show me why, musically, the unknown songs were often better than the hits. Cole Porter's very favorite song of all those he wrote was 'After You, Who?' from 'The Gay Divorcee.' Outside of a rare recording by Fred Astaire, it never received a major hearing."

Bagley is president, secretary and treasurer of the diminutive, sparsely funded National Records, a company of two (Bagley and an assistant) with a growing mailing list of 5,000 regular buyers. He has masterminded 35 albums to date, dedicated to the lesser known — or the not-at-all known — tunes of such giants as Porter, Rodgers and Hart, Vincent Youmans, George and Ira Gershwin, and Irving Berlin.

Same General Title

Almost all carry the same general title ("Harold Arlen Revisited," "Alan Jay Lerner Revisited," or the two latest volumes in the series, "Kurt Weill Revisited"). But aficionados know them simply as "Bagleys."

Among the six or seven singers who will turn up on each album, it is entirely possible to come across Gloria Swanson, Estelle Parsons, Ellen Burstyn, Tony Perkins, Lynn Redgrave, Maureen Stapleton or even Rex Reed, who tells people that the only artistic error Bagley ever made was hiring him to immortalize a Vernon Duke dirty called "Sugar Foot."

"People who write theater music shouldn't be that interested in perfect pitch and melodically bland vowels," he says, inhaling one of the 60 or so Camels he smokes every day. "You're trying to create a mood with a song. That's why I like to work with actors and actresses. They know what the words mean."

Contributing her services gratis, Hepburn warbled "Thank You Very Much, Mrs. Lansborough — Goodbye," "A Woman's Career"

and "The Queen of Terre Haute" for "Cole Porter Revisited, Vol. 4."

Bagley believes it was her distinctive voice attacking such lyrics as

Why couldn't I be Whistler's Mother
Or any other woman of note?
Why did the gods decree
That I should only be The Queen of Terre Haute?

that made the record, at 23,000 copies, one of his biggest sellers. Most of his albums sell in the neighborhood of 10,000 each.

Not that Bagley is in this business for the money. Whatever he makes, he promptly plows back into the next record. If he anticipates big sales for "Leonard Bernstein Revisited," which comes out this spring, it's so he can force ahead with "Dorothy Fields Revisited," which probably won't fare so well.

Bagley regularly tests the humor of the celebratory liner notes. He informed the public that Margaret Whiting's latest album was "Music to Listen to Carly Simon By," and aroused Liza Minnelli's wrath by writing that she put "a pair of odor-eaters in her shoes and disappeared for three days." In remarks about an Oscar Hammerstein song, "Little Hindu Man," he felt compelled to air his views on the Yellow Pearl, which he claimed was responsible for such worldwide disasters as "Pearl Harbor and Pacific Overturns." (Stephen Sondheim's 1976 musical about the Orient).

If Bagley sometimes gets away with murder in his liner notes, he is careful to preface them with the admission that he is "incubally insane" and for years took the precaution of having the late show business lawyer Arnold Weissberger check over them for libel. Still, he takes manifest glee in violating good taste, as when he announced that singer Jane Fanning (who nearly lost her leg in a plane crash) was making a comeback in a stock production of "Best Foot Forward."

When Bagley passed on the news that Hepburn's newest film was "Love Slaves from Lima," however, the actress telephoned him to say, "Mr. Ben Bagley, that sounds like a very superior film."

Bagley may not be incurably insane, but at 48, he is defiantly idiosyncratic. His minute living room is decorated with 400 tiny oval mirrors, which he says he made when he was going "through a severe emotional problem." Several gilt cigarette suspenders from the ceiling and a chandelier that would be more appropriate for Versailles.

He has a dowager's zest for gossip, especially if it involves the sexual peccadillo of the famous. He is also a devout Catholic and talks about recording songs with the fervor of a missionary saving souls. God, he asserts, put him on Earth for that purpose, and his records are his "children." His best friend, however, is Fogarty, a disaffectional cat he res-



Ben Bagley and Fogarty revisited.

scued from an animal shelter and who now gets its photo on all his albums.

At 16 Bagley left Hardwick, Vt. for New York, and practicing what he called "the magic of deceiving" — and what others call bald-faced lying — when he let it be known that he had a very wealthy father who was bankrupting him, and set about soliciting review material from such then-unknown composers and writers as Charles Strouse, Leo Adams, Sheldon Harnick and Michael Stewart. The numbers eventually found their way into "The Shoestring Revue" in 1955, which took the town by storm. He followed it with "The Littlest Revue," in which Joel Grey made his debut, doing a spoof of Harry Belafonte, and then "Shoestring 57." They were eminently sophisticated, slightly demented entertainments, and Bagley was soon being tapped to stage nightclub acts for such "fabulous" people as Zsa Zsa Gabor and Marie (The Body) McDonald.

He moved into recordings in the 1960s, the first being "Rodgers and Hart Revisited," which Bagley promptly and proudly sent off to Cole Porter. "Porter later told me, 'I'm very worried about you. I feel the little man in white coats are coming any minute,'" laughs Bagley. But the composer ended up giving him unlimited access to his trunk of songs, which led to "Cole Porter Revisited," and, in 1965, another spiffy off-Broadway revue, "The Decline and Fall of the Entire World as Seen through the Eyes of Cole Porter."

Initially, Bagley's recordings were issued by other companies, until he concluded that he had no temperament for corporate compromise, found a backer of his own, and launched Painted Smiles.

"I'm not into nostalgia," Bagley insists. "I mean, I believe that looking back is all right, if you don't stare. But please don't say I'm into nostalgia. I'm just into good songs."

PEOPLE: Coppola Defies Paramount On Opening of His Film

Francis Coppola will preview his new film, "One From the Heart," Jan. 15 at New York's Radio City Music Hall, without having consulted or even notified Paramount Pictures, the film's distributor.

Coppola said that he had been secretly wishing he could do this for the last eight months. Paramount plans to open "One From the Heart," described as "a new kind of old-fashioned romance," in New York and other cities on Feb. 10. The studio was clearly caught off guard, as were Coppola's own associates. "I knew that if I were going to pull this off, I'd have to do it fast," Coppola said. "If I'd delayed a week, someone would have talked me out of it." Paramount has angered him with its handling of "One From the Heart."

His discontent stems in part from an incident last August, when Paramount, without informing him, screened the film — unfinished and full of gaps, with only a few of its 20 songs on the soundtrack — for West Coast exhibitors. Sobered by their seeing an incomplete version of the film under less than ideal circumstances, found it disappointing. When rumors about this early screening found their way into a San Francisco newspaper, Coppola says he was angry and hurt.

Composer André Previn, the director of the Pittsburgh Symphony, applied for a license to marry Heather Hales, 33, a British woman who has been his companion for nearly three years. Previn, 52, divorced actress Mia Farrow in 1979 after nine years of marriage.

Actor Henry Fonda is home after seven weeks at Cedars-Sinai Medical Center in Los Angeles, where doctors monitored new treatment for his heart condition. The 76-year-old actor has worn a Pacemaker since 1974. He was hospitalized Nov. 17.

"I don't understand anything about the cinema business," says Marília Pêra, a Brazilian actress who just beat Faye Dunaway for the best actress designation by the U.S. National Society of Film Critics. Pêra, 38, more a stage than screen actress and the mother of three children, is a prostitute in "Pygmalion," a low-budget Brazilian film about show kids in Rio de Janeiro and São Paulo that won raves in the United States.



Thailand's Princess Chulabhorn, 24, and Flying Officer Virayuth Didayassin, 25, mingle with the crowd after their wedding in Bangkok Thursday. Princess Chulabhorn, who is studying for a doctorate in chemistry, met Virayuth, a jet pilot, when she delivered a lecture at the Air Force Academy. Despite wedding a commoner, a royal decree will permit her to retain her title.

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